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**Original Sheet No. 0** Enbridge Pipelines (Midla) Inc.: Fourth Revised Volume No. 1  
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FERC GAS TARIFF

FOURTH REVISED VOLUME NO. 1  
OF  
ENBRIDGE PIPELINES (MIDLA) INC.

(Supersedes Third Revised Volume No. 1)

Filed with

Federal Energy Regulatory Commission

Communications Concerning This Tariff Should Be Addresse

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PRELIMINARY STATEMENT

Enbridge Pipelines (Midla) Inc. (the "Company") is a natural gas company engaged in the business of providing transportation services in interstate commerce under authorization granted by, and subject to the jurisdiction of, the Federal Energy Regulatory Commission. Midla's sales and transportation services will occur at the Point(s) of Receipt into Midla's main transmission line. The main transmission line extends from the Monroe Gas Field in Northeastern Louisiana southward across Eastern Louisiana into Western Mississippi and then back into Louisiana to its terminus at Baton Rouge, Louisiana.

It is the policy of the Company to provide transportation and storage services pursuant to each rate schedule only under specific written service agreements acceptable to the Company after consideration of existing commitments to others, delivery capacity, and other pertinent factors.

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SYSTEM MAP

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Original Sheet No. 4 Original Sheet No. 4 : Effective

Firm Transportation Rate Schedules  
(\$ Per MMBtu)

	Base Tariff Rate	ACA Rate	Maximum Rate	Minimum Rate
	-----	-----	-----	-----
Rate Schedule FTS 1_/				
Reservation	\$ 8.2480	\$ 0.0000	\$ 8.2480	\$ 0.0000
Commodity	\$ 0.0015	\$ 0.0022	\$ 0.0037	\$ 0.0037
Small Customer Rate Option	\$ 1.0058	\$ 0.0022	\$ 1.0080	\$ 0.0037
Rate Schedule FTS-OSF				
Reservation	\$ 1.4716	\$ 0.0000	\$ 1.4716	\$ 0.0000
Commodity	\$ 0.0000	\$ 0.0022	\$ 0.0022	\$ 0.0022
Rate Schedule NNS				
Reservation	\$ 8.6005	\$ 0.0000	\$ 8.6005	\$ 0.0000
Commodity	\$ 0.0015	\$ 0.0022	\$ 0.0037	\$ 0.0037
Small Customer Rate Option	\$ 1.6648	\$ 0.0022	\$ 1.6670	\$ 0.0037

1\_/ Ninety percent (90%) of interruptible revenues, net actual costs, will be refunded to Customers receiving service pursuant to a firm Rate Schedule

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**Original Sheet No. 4A** Original Sheet No. 4A : Effective

Interruptible Transportation Rate Schedules  
(\$ Per MMBtu)

	Base Tariff Rate -----	ACA Rate -----	Maximum Rate -----	Minimum Rate -----
Rate Schedule ITS Commodity 1_/	\$ 0.2676	\$ 0.0022	\$ 0.2698	\$ 0.0037
Rate Schedule ITS-OSF Commodity	\$ 0.0484	\$ 0.0022	\$ 0.0506	\$ 0.0022

1\_/ Ninety percent (90%) of interruptible revenues, net of actual costs, will be refunded to Customers receiving service pursuant to a firm Rate Schedule.

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**Sheet Nos. 5 - 19** Sheet Nos. 5 - 19 : Effective

Reserved for Future Use

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**Original Sheet No. 20** Original Sheet No. 20 : Effective

RATE SCHEDULE NNS

No-Notice Service

1. AVAILABILITY

- 1.1 Subject to the exercise of the election set forth in Paragraph 1.7 below, this Rate Schedule is available on a non discriminatory basis to any party receiving firm transportation service under a firm transportation Rate Schedule. Service hereunder shall be available upon the execution of an NNS Service Agreement. Such Service Agreement shall be substantially in the form contained in Pipeline's FERC Gas Tariff of which this Rate Schedule NNS is a part.
- 1.2 Availability of service under this Rate Schedule is conditioned on and made subject to a determination by Pipeline that capacity is available on Pipeline's system, as of the effective date of the Service Agreement between Pipeline and Customer.
- 1.3 Availability of service under this Rate Schedule shall be subject to a determination by Pipeline, based on operational considerations, that service requested hereunder shall not cause a reduction in Pipeline's capacity disproportionate to the service requested.
- 1.4 Availability of service under this Rate Schedule to those parties exercising their preferential election rights pursuant to Paragraph 1.7 below shall not exceed the total combined MDQ entitlement (s) of those parties receiving service on August 31, 1995 under Rate Schedules NNS and/or FSS as such rate schedules were then in effect in Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, unless otherwise agreed to by Pipeline.

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- 1.5 Unless otherwise agreed to by Pipeline and subject to Section 10 of the General Terms and Conditions of this FERC Gas Tariff, service under this Rate Schedule shall not be available to the extent that Pipeline would be required to construct, modify, expand or acquire any facilities to enable Pipeline to perform the requested services; provided, however, if Customer requests and Pipeline, on a non-discriminatory basis, elects to construct such facilities, Customer shall, at Pipeline's request, reimburse Pipeline for all costs and associated fees, licenses and other expenses incurred by Pipeline for the construction, modification, expansion or acquisition of facilities to enable Pipeline to perform the requested services.
- 1.6 Availability of service hereunder shall be subject to compliance by the party requesting service with all other provisions of this Rate Schedule NNS and the General Terms and Conditions of this FERC Gas Tariff.
- 1.7 Any party receiving service on August 31 1995 under Rate Schedules FSS and NNS of Pipeline's FERC Gas Tariff, Fourth Revised Volume No. 1, or receiving firm transportation service on August 31, 1995 pursuant to a firm transportation agreement shall have a one-time preferential right to elect to receive service under this Rate Schedule NNS, which election must be exercised on or before August 15, 1996. Failure to request such service by such date shall permanently terminate the preferential right to receive service pursuant to this Rate Schedule NNS as set forth herein.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 (a) Service hereunder shall entitle Customer to receive quantities in excess of its nomination(s) under a firm transportation Rate Schedule up to Customer's no-notice MDQ. This service shall consist of the

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firm transportation of gas volumes from Customer's Point(s) of Receipt to Customer's Points of Delivery. Customer will be permitted, without prior notice to Pipeline, to receive quantities in excess of its nomination(s) up to the quantities Customer and Pipeline agree in an NNS Service Agreement may be required on any given day to cover such excess deliveries (NNS MDQ). If no-notice deliveries are taken in excess of Customer's NNS MDQ, Customer shall be subject to the penalties provided in Paragraph 17.5 of the General Terms and Conditions and shall indemnify Pipeline pursuant to Paragraph 17.1 of Pipeline's General Terms and Conditions.

- (b) The availability of gas volumes to be received by pipeline at Customer's Point(s) of Receipt is contingent upon pipeline facilities and delivery obligations controlled by various third parties. In the event such third parties have FERC Gas Tariff(s) on file with the FERC, service hereunder shall be subject to all applicable terms, conditions and other provisions of such tariffs and capacity must be available through facilities of third parties for the transportation of gas volumes to the Customers' Point(s) of Receipt. To the extent that such capacity is not available, service under this Rate Schedule may be impaired, curtailed or no longer available. In the event that capacity through the facilities of such third parties to transport gas volumes to the Customer's Point(s) of Receipt is reduced, curtailed or otherwise not available to deliver gas to Pipeline at the Receipt Point, Customer's service pursuant to this Rate Schedule shall be reduced pro rata except as provided in Section 6 of Pipeline's General Terms and Conditions. Customer shall indemnify and hold Pipeline harmless for any injuries, claims or damages incurred by Customer as a result of a reduction, curtailment or other unavailability of service by any third parties.

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2.3 The no-notice service shall have the following characteristics:

- (a) Pipeline shall provide firm transportation from Customer's Point(s) of Receipt to Customer's Point(s) of delivery.
- (b) Nominations are not required for deliveries to Point(s) of Delivery for service under this Rate Schedule.
- (c) No-notice service requires Customer to designate Point(s) of Delivery with a maximum delivery MDQ (NNS MDQ). The sum of Customer's Point(s) of Delivery MDQs must equal the total NNS MDQ.
- (d) In the event a Customer subscribing to NNS fails to provide a predetermined allocation to Pipeline pursuant to Section 16 of the General Terms and Conditions, such Customer will be deemed to have received NNS quantities at any time that deliveries to Customer are in excess of scheduled quantities nominated under a Rate Schedule for firm transportation service.
- (e) At Customer's election, Pipeline may act as Customer's agent for the procurement of gas supplies from third parties which supplies are to be transported in accordance with this Rate Schedule NNS.

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- (e) Unless Pipeline in its reasonable judgment otherwise permits, Customer may not withdraw gas from Pipeline's system at Point(s) of Delivery at combined rates of flow which exceed one-tenth (1/10th) of Customer's total NNS MDQ in any one hour period.

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3. REQUESTS AND QUALIFICATIONS FOR SERVICE

- 3.1 All Potential Customers requesting no-notice service must comply with the procedures and provide the information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff to qualify for service under this Rate Schedule.
- 3.2 No request for service under this Rate Schedule will be deemed valid until all information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff is received by Pipeline and Potential Customer has submitted an application fee in an amount equal to the applicable reservation charge for one (1) month.
  - (a) In the event the request for service is deficient as to form, Pipeline shall not process the request and shall notify the Potential Customer, providing thirty (30) days for Potential Customer to resubmit its request. In the further event that Potential Customer fails to resubmit its request in proper form within such thirty

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(30) day period, Pipeline shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii), and the request for service shall be null and void.

- (b) In the event the request for service is valid as to form but Pipeline is unable to provide the requested service due to capacity constraints or other operational conditions, Pipeline shall so inform the Potential Customer and shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii).
  
- (c) In the event the request for service is valid as to form but less than the maximum rate is offered or Potential Customer requests variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, Pipeline shall not be obligated to provide the requested service and shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii).
  
- (d) In the event the request for service is valid as to form, the maximum rate is offered, and there are no variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, or if Pipeline finds the proffered rate or proffered terms and conditions acceptable, Pipeline shall deliver a Service Agreement to the Potential Customer. Upon return of an executed Service Agreement, a Potential Customer shall be entitled to the service requested. The application fee shall be credited, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii), to such Potential Customer's next immediate invoices for service under the Service Agreement for which service was requested until fully

**Original Sheet No. 27** Original Sheet No. 27 : Effective

applied.

- (e) In the event Potential Customer withdraws the request for service prior to the date Pipeline delivers a Service Agreement to such Potential Customer, Pipeline shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. 154.67(c)(iii).
- (f) In the event a Service Agreement is delivered to the Potential Customer but is not executed by the Potential Customer and returned to Pipeline within thirty (30) days of its dispatch by Pipeline, the request for service shall expire and Pipeline shall retain the application fee.

4. RATE

4.1 The monthly rate for service provided under this Rate Schedule shall be equal to:

- (a) The reservation rate negotiated by Pipeline and Customer, which shall not be more than the maximum, nor less than the minimum reservation rate for this Rate Schedule as set forth on currently effective Tariff Sheet No. 4, multiplied by the NNS MDQ specified in the Service Agreement; and
- (b) The commodity rate negotiated by Pipeline and Customer, which shall not be more than the maximum, nor less than the minimum commodity rate for this Rate Schedule as set forth on currently effective Tariff Sheet No. 4, multiplied by the quantity of gas delivered in the month;

4.2 Pipeline shall have the right to retain one and one-half percent (1.5%) of the quantities of gas delivered to Pipeline for Fuel Reimbursement. Any change in such fuel rate shall be made effective only at the beginning of a month.

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- 4.3 Customer shall pay Pipeline the Annual Charge Adjustment ("ACA") charge, as set forth on currently effective Tariff Sheet No. 4.
- 4.4 Any Customer receiving service from Pipeline on May 18, 1992 and having a MDQ which on that date was less than 2,000 MMBtu per day and which is receiving transportation service pursuant to this Rate Schedule NNS may elect to pay a cost-based, one-part, volumetric rate as set forth on currently effective Tariff Sheet No. 4, in lieu of the rate for NNS service as set forth on currently effective Tariff Sheet No. 4 (hereinafter referred to as the Small Customer Rate Option). A Customer which elects the Small Customer Rate Option shall be required to schedule and take quantities up to its MDQ for all firm services before Customer may take any interruptible quantities.
- 4.5 Customer shall also pay Pipeline all other applicable rates, charges and fees as set forth on currently effective Tariff Sheet No. 4 or as may be assessed, required or permitted to be charged by the FERC, any regulatory body or court of competent jurisdiction related to the service provided hereunder.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's FERC Gas Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provisions herein.

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RATE SCHEDULE FTS

Firm Transportation Service

1. AVAILABILITY

- 1.1 Subject to the exercise of the election set forth in Paragraph 1.6 below, this Rate Schedule is available to any party for the firm transportation of natural gas by Pipeline upon the execution of an FTS Service Agreement. Such Service Agreement shall be substantially in the form contained in Pipeline's FERC Gas Tariff of which this Rate Schedule FTS is a part.
- 1.2 Availability of service under this Rate Schedule is conditioned on and made subject to a determination by Pipeline that capacity is available on Pipeline's system, as of the effective date of the Service Agreement between Pipeline and Customer.
- 1.3 Availability of service under this Rate Schedule shall be subject to a determination by Pipeline, based on operational considerations, that service requested hereunder shall not cause a reduction in Pipeline's capacity disproportionate to the service requested.
- 1.4 Unless otherwise agreed to by Pipeline and subject to Section 10 of the General Terms and Conditions of this FERC Gas Tariff, service under this Rate Schedule shall not be available to the extent that Pipeline would be required to construct, modify, expand or acquire any facilities to enable Pipeline to perform the requested services; provided, however, if Customer requests and Pipeline, on a non-discriminatory basis, elects to construct such facilities, Customer shall, at Pipeline's request, reimburse Pipeline for all costs and associated fees, licenses and other expenses incurred by Pipeline for the construction, modification, expansion or acquisition of facilities to enable Pipeline to perform the requested services.

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- 1.5 Availability of service hereunder shall be subject to compliance by the party requesting service with all other provisions of this Rate Schedule FTS and the General Terms and Conditions of this FERC Gas Tariff.
- 1.6 Any party receiving service on May 18, 1992 under Rate Schedules SG-1 and G-1 of Pipeline's FERC Gas Tariff, First Revised Volume No. 1, or receiving firm sales service on May 18, 1992 pursuant to a direct sales agreement with Pipeline shall have a one-time priority right to receive service under this Rate Schedule FTS prior to Pipeline offering such firm transportation service to others, which election must be exercised on or before August 20, 1993. Failure to request such service by said date shall permanently terminate the preferential right to receive service pursuant to this Rate Schedule FTS as set forth herein.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Service under this Rate Schedule shall provide Customer with firm transportation of natural gas by Pipeline for Customer on Pipeline's system between agreed upon Point(s) of Receipt and Point(s) of Delivery.
- 2.2 Pipeline shall receive for Customer at Point(s) of Receipt, and shall transport and deliver at the Point(s) of Delivery daily quantities of gas up to Customer's MDQ; provided, however, Pipeline shall not be obligated to receive or to deliver quantities of gas on any day in excess of the quantity nominated and scheduled for that day.

3. REQUESTS AND QUALIFICATIONS FOR SERVICE

- 3.1 All Potential Customers requesting firm transportation service must comply with the procedures and provide the information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff to qualify for transportation under this Rate Schedule.

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**Original Sheet No. 31** Original Sheet No. 31 : Effective

- 3.2 No request for service under this Rate Schedule will be deemed valid until all information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff is received by Pipeline and Potential Customer has submitted an application fee in an amount equal to the applicable reservation charge for one (1) month.
- (a) In the event the request for service is deficient as to form, Pipeline shall not process the request and shall notify the Potential Customer, providing thirty (30) days for Potential Customer to resubmit its request. In the further event that Potential Customer fails to resubmit its request in proper form within such thirty (30) day period, Pipeline shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii), and the request for service shall be null and void.
  - (b) In the event the request for service is valid as to form but Pipeline is unable to provide the requested service due to capacity constraints or other operational conditions, Pipeline shall so inform the Potential Customer and shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii).
  - (c) In the event the request for service is valid as to form but less than the maximum rate is offered or Potential Customer requests variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, Pipeline shall not be obligated to provide the requested service and shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii).
  - (d) In the event the request for service is valid as to form, the maximum rate is offered, and there are no

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**Original Sheet No. 32** Original Sheet No. 32 : Effective

variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, or if Pipeline finds the proffered rate or proffered terms and conditions acceptable, Pipeline shall deliver a Service Agreement to the Potential Customer. Upon return of an executed Service Agreement, a Potential Customer shall be entitled to the service requested. The application fee shall be credited, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii), to such Potential Customer's next immediate invoices for service under the Service Agreement for which service was requested until fully applied.

- (e) In the event Potential Customer withdraws the request for service prior to the date Pipeline delivers a Service Agreement to such Potential Customer, Pipeline shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii).
- (f) In the event a Service Agreement is delivered to the Potential Customer but is not executed by the Potential Customer and returned to Pipeline within thirty (30) days of its dispatch by Pipeline, the request for service shall expire and Pipeline shall retain the application fee.

4. RATE

4.1 The monthly rate for firm transportation service provided under this Rate Schedule shall be equal to:

- (a) The reservation rate negotiated by Pipeline and Customer, which shall not be more than the maximum, nor less than the minimum reservation rate for this Rate Schedule as set forth on currently effective Tariff Sheet No. 4, multiplied by the aggregate MDQ specified in the Service Agreement; and

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**Original Sheet No. 33** Original Sheet No. 33 : Effective

(b) The commodity rate negotiated by Pipeline and Customer, which shall not be more than the maximum, nor less than the minimum commodity rate for this Rate Schedule as set forth on currently effective Tariff Sheet No. 4, multiplied by the quantity of gas delivered in the month.

4.2 Pipeline shall have the right to retain one and one-half percent (1.5%) of the quantities of gas delivered to Pipeline for Fuel Reimbursement. Any change in such fuel rate shall be made effective only at the beginning of a month.

4.3 Customer shall pay Pipeline the Annual Charge Adjustment ("ACA") charge, as set forth on currently effective Tariff Sheet No. 4.

4.4 Any Customer receiving service on May 18, 1992 and having a MDQ which on that date was less than 2,000 MMBtu per day and which is receiving transportation service pursuant to this Rate Schedule FTS may elect to pay a cost-based, one-part, volumetric rate as set forth on currently effective Tariff Sheet No. 4, in lieu of the rate for FTS service as set forth on currently effective Tariff Sheet No. 4 (hereinafter referred to as the Small Customer Rate Option). A Customer which elects the Small Customer Rate Option shall be required to schedule and take quantities up to its MDQ for all firm services before such Customer may take any interruptible quantities.

4.5 Customer shall also pay Pipeline all other applicable rates, charges and fees as set forth on currently effective Tariff Sheet No. 4 or as may be assessed, required or permitted to be charged by the FERC, any regulatory body or court of competent jurisdiction related to the service provided hereunder.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's FERC Gas Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any

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**Original Sheet No. 34** Original Sheet No. 34 : Effective

provisions herein.

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**Original Sheet No. 35** Original Sheet No. 35 : Effective

RATE SCHEDULE ITS

Interruptible Transportation Service

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any party for the interruptible transportation of natural gas by Pipeline upon the execution of an ITS Service Agreement. Such Service Agreement shall be substantially in the form contained in Pipeline's FERC Gas Tariff of which this Rate Schedule ITS is a part.
- 1.2 Availability of service under this Rate Schedule shall be subject to a determination by Pipeline, based on operational considerations, that service requested hereunder shall not cause a reduction in Pipeline's capacity disproportionate to the service requested.
- 1.3 Unless otherwise agreed to by Pipeline and subject to Section 10 of General Terms and Conditions of this FERC Gas Tariff, service under this Rate Schedule shall not be available to the extent that Pipeline would be required to construct, modify, expand or acquire any facilities to enable Pipeline to perform the requested services; provided, however, if Customer requests and Pipeline, on a non-discriminatory basis, elects to construct such facilities, Customer shall, at Pipeline's request, reimburse Pipeline for all costs and associated fees, licenses and other expenses incurred by Pipeline for the construction, modification, expansion or acquisition of facilities to enable Pipeline to perform the requested services.
- 1.4 Availability of service hereunder shall be subject to compliance by the party requesting service with all other provisions of this Rate Schedule ITS and the General Terms and Conditions of this FERC Gas Tariff.

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**Original Sheet No. 36** Original Sheet No. 36 : Effective

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Service under this Rate Schedule shall provide Customer with interruptible transportation of natural gas by Pipeline for Customer on Pipeline's system between agreed upon Point(s) of Receipt and Point(s) of Delivery. Interruptible transportation service under this Rate Schedule shall be available when and to the extent that capacity is available.
- 2.2 Pipeline shall receive for Customer at the Point(s) of Receipt, and shall transport and deliver at the Point(s) of Delivery daily quantities of gas up to Customer's MDQ; provided, however, Pipeline shall not be obligated to receive or to deliver quantities of gas on any day in excess of the quantity nominated and scheduled for that day.

3. REQUESTS AND QUALIFICATIONS FOR SERVICE

- 3.1 All Potential Customers requesting interruptible transportation service must comply with the procedures and provide the information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff to qualify for transportation under this Rate Schedule.
- 3.2 No request for service under this Rate Schedule will be deemed valid until all information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff is received by Pipeline.
  - (a) In the event the request for service is deficient as to form, Pipeline shall not process the request and shall notify the Potential Customer, providing thirty (30) days for Potential Customer to resubmit its request. In the further event that Potential Customer fails to resubmit its request in proper form within such thirty (30) day period, the request for service shall be null and void.
  - (b) In the event the request for service is valid as to form but Pipeline is unable to provide the requested service

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**Original Sheet No. 37** Original Sheet No. 37 : Effective

due to capacity constraints or other operational conditions, Pipeline shall so inform the Potential Customer.

- (c) In the event the request for service is valid as to form but less than the maximum rate is offered or Potential Customer requests variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, Pipeline shall not be obligated to provide the requested service.
- (d) In the event the request for service is valid as to form, the maximum rate is offered, and there are no variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, or if Pipeline finds the proffered rate or proffered terms and conditions acceptable, Pipeline shall deliver a Service Agreement to the Potential Customer. Upon return of an executed Service Agreement, a Potential Customer shall be entitled to the service requested.
- (e) In the event a Service Agreement is delivered to the Potential Customer but is not executed by the Potential Customer and returned to Pipeline within thirty (30) days of its dispatch by Pipeline, the request for service shall expire.

3.3 Customer's Service Agreement shall be terminated if Customer fails to nominate or tender gas within thirty (30) days after the later of:

- (a) The date service was requested to commence pursuant to Paragraph 27.1(e) of the General Terms and Conditions of this FERC Gas Tariff;
- (b) The date on which the Service Agreement is executed by Customer;

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**Original Sheet No. 38** Original Sheet No. 38 : Effective

- (c) The date on which Customer is notified that any facilities necessary to provide the requested service are ready for service; or
- (d) The date on which any necessary governmental approvals or authorizations are received and accepted by the appropriate party.

3.4 Customer's Service Agreement shall be terminated if, after commencement of initial service, Customer fails to nominate or tender gas within thirty (30) days after notice by Pipeline of its intent to terminate Customer's Service Agreement by reason of failure of Customer to transport gas for a six (6) month consecutive period.

3.5 Customer's failure to schedule transportation shall be excused by an event of force majeure, as defined in Section 13 of the General Terms and Conditions; provided, however, such failure to schedule transportation shall be excused only for the duration of the force majeure event.

4. RATE

4.1 The rate for interruptible transportation service provided under this Rate Schedule shall be the amount negotiated by Pipeline and Customer, which shall not be more than the maximum, nor less than the minimum for this Rate Schedule as set forth on currently effective Tariff Sheet No. 4A.

4.2 Pipeline shall have the right to retain one and one-half percent (1.5%) of the quantities of gas delivered to Pipeline for Fuel Reimbursement. Any change in such fuel rate shall be made effective only at the beginning of a month.

4.3 Customer shall pay Pipeline the Annual Charge Adjustment ("ACA"), as set forth on currently effective Tariff Sheet No. 4A.

4.4 Customer shall also pay Pipeline all other applicable rates, charges and fees as set forth on currently effective Tariff Sheet No. 4A or as may be assessed, required or permitted to

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**Original Sheet No. 39** Original Sheet No. 39 : Effective

be charged by the FERC, any regulatory body or court of competent jurisdiction related to the service provided hereunder.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's FERC Gas Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provisions herein.

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**Original Sheet No. 40** Original Sheet No. 40 : Effective

RATE SCHEDULE FTS-OSF

Firm Transportation Service  
Offshore Facilities

1. AVAILABILITY

- 1.1 Subject to the exercise of the election set forth in Paragraph 1.6 below, this Rate Schedule is available to any party for the firm transportation by Pipeline of natural gas on Pipeline's Offshore Facilities upon the execution of an FTS-OSF Service Agreement. Such Service Agreement shall be substantially in the form contained in Pipeline's FERC Gas Tariff of which this Rate Schedule FTS-OSF is a part.
- 1.2 Availability of service under this Rate Schedule is conditioned on and made subject to a determination by Pipeline that capacity is available on Pipeline's Offshore Facilities, as of the effective date of the Service Agreement between Pipeline and Customer.
- 1.3 Availability of service under this Rate Schedule shall be subject to a determination by Pipeline, based on operational considerations, that service requested hereunder shall not cause a reduction in Pipeline's capacity disproportionate to the service requested.
- 1.4 Unless otherwise agreed to by Pipeline and subject to Section 10 of the General Terms and Conditions of this FERC Gas Tariff, service under this Rate Schedule shall not be available to the extent that Pipeline would be required to construct, modify, expand or acquire any facilities to enable Pipeline to perform the requested services; provided, however, if Customer requests and Pipeline, on a non-discriminatory basis, elects to construct such facilities, Customer shall, at Pipeline's request, reimburse Pipeline for all costs and associated fees, licenses and other expenses incurred by Pipeline for the construction, modification, expansion or acquisition of facilities to enable Pipeline to perform the requested services.

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**Original Sheet No. 41** Original Sheet No. 41 : Effective

1.5 Availability of service hereunder shall be subject to compliance by the party requesting service with all other provisions of this Rate Schedule FTS-OSF and the General Terms and Conditions of this FERC Gas Tariff.

1.6 Any party receiving service on May 18, 1992 under Rate Schedules SG-1 and G-1 of Pipeline's FERC Gas Tariff, First Revised Volume No. 1, or receiving firm sales service on May 18, 1992 pursuant to a direct sales agreement with Pipeline shall have a one-time priority right to receive service under this Rate Schedule FTS-OSF prior to Pipeline offering such firm transportation service to others, which election must be exercised on or before August 20, 1993. Failure to request such service by said date shall permanently terminate the preferential right to receive service pursuant to this Rate Schedule FTS-OSF as set forth herein.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Service under this Rate Schedule shall provide Customer with firm transportation of natural gas by Pipeline for Customer on Pipeline's Offshore Facilities between agreed upon Point(s) of Receipt and Point(s) of Delivery.

2.2 Pipeline shall receive for Customer at the Point(s) of Receipt, and shall transport and deliver at the Point(s) of Delivery daily quantities of gas up to Customer's MDQ; provided, however, Pipeline shall not be obligated to receive or to deliver quantities of gas on any day in excess of the quantity nominated and scheduled for that day.

3. REQUESTS AND QUALIFICATIONS FOR SERVICE

3.1 All Potential Customers requesting firm transportation service on Offshore Facilities must comply with the procedures and provide the information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff to qualify for transportation under this Rate Schedule.

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**Original Sheet No. 42** Original Sheet No. 42 : Effective

- 3.2 No request for service under this Rate Schedule will be deemed valid until all information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff is received by Pipeline and Potential Customer has submitted an application fee in an amount equal to the applicable reservation charge for one (1) month.
- (a) In the event the request for service is deficient as to form, Pipeline shall not process the request and shall notify the Potential Customer, providing thirty (30) days for Potential Customer to resubmit its request. In the further event that Potential Customer fails to resubmit its request in proper form within such thirty (30) day period, Pipeline shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii), and the request for service shall be null and void.
  - (b) In the event the request for service is valid as to form but Pipeline is unable to provide the requested service due to capacity constraints or other operational conditions, Pipeline shall so inform the Potential Customer and shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii).
  - (c) In the event the request for service is valid as to form but less than the maximum rate is offered or Potential Customer requests variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, Pipeline shall not be obligated to provide the requested service and shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii).
  - (d) In the event the request for service is valid as to form, the maximum rate is offered, and there are no

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**Original Sheet No. 43** Original Sheet No. 43 : Effective

variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, or if Pipeline finds the proffered rate or proffered terms and conditions acceptable, Pipeline shall deliver a Service Agreement to the Potential Customer. Upon return of an executed Service Agreement, a Potential Customer shall be entitled to the service requested. The application fee shall be credited, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii), to such Potential Customer's next immediate invoices for service under the Service Agreement for which service was requested until fully applied.

- (e) In the event Potential Customer withdraws the request for service prior to the date Pipeline delivers a Service Agreement to such Potential Customer, Pipeline shall return the application fee, with interest computed pursuant to section 154.67(c)(iii) of the Commission's Regulations, 18 C.F.R. § 154.67(c)(iii).
- (f) In the event a Service Agreement is delivered to the Potential Customer but is not executed by the Potential Customer and returned to Pipeline within thirty (30) days of its dispatch by Pipeline, the request for service shall expire and Pipeline shall retain the application fee.

4. RATE

4.1 The monthly rate for firm transportation service provided under this Rate Schedule shall be equal to:

- (a) The reservation rate negotiated by Pipeline and Customer, which shall not be more than the maximum, nor less than the minimum reservation rate for this Rate Schedule as set forth on currently effective Tariff Sheet No. 4, multiplied by the aggregate MDQ specified in the Service Agreement; and

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**Original Sheet No. 44** Original Sheet No. 44 : Effective

(b) The commodity rate negotiated by Pipeline and Customer, which shall not be more than the maximum, nor less than the minimum commodity rate for this Rate Schedule as set forth on currently effective Tariff Sheet No. 4, multiplied by the quantity of gas delivered in the month.

4.2 Pipeline shall have the right to retain one and one-half percent (1.5%) of the quantities of gas delivered to Pipeline for Fuel Reimbursement. Any change in such fuel rate shall be made effective only at the beginning of a month.

4.3 Customer shall pay Pipeline the Annual Charge Adjustment ("ACA") charge, as set forth on currently effective Tariff Sheet No. 4.

4.4 Any Customer receiving service on May 18, 1992 and having a MDQ which on that date was less than 2,000 MMBtu per day and which is receiving transportation service pursuant to this Rate Schedule FTS-OSF may elect to pay a cost-based, one-part, volumetric rate as set forth on currently effective Tariff Sheet No. 4, in lieu of the rate for FTS-OSF service as set forth on currently effective Tariff Sheet No. 4 (hereinafter referred to as the Small Customer Rate Option). A Customer which elects the Small Customer Rate Option shall be required to schedule and take quantities up to its MDQ for all firm services before Customer may take any interruptible quantities.

4.5 Customer shall also pay Pipeline all other applicable rates, charges and fees as set forth on currently effective Tariff Sheet No. 4 or as may be assessed, required or permitted to be charged by the FERC, any regulatory body or court of competent jurisdiction related to the service provided hereunder.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's FERC Gas Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any

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provisions herein.

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**Original Sheet No. 46** Original Sheet No. 46 : Effective

RATE SCHEDULE ITS-OSF

Interruptible Transportation Service  
Offshore Facilities

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any party for the interruptible transportation by Pipeline of natural gas on Pipeline's Offshore Facilities upon the execution of an ITS-OSF Service Agreement. Such Service Agreement shall be substantially in the form contained in Pipeline's FERC Gas Tariff of which this Rate Schedule ITS-OSF is a part.
- 1.2 Availability of service under this Rate Schedule shall be subject to a determination by Pipeline, based on operational considerations, that service requested hereunder shall not cause a reduction in Pipeline's capacity disproportionate to the service requested.
- 1.3 Unless otherwise agreed to by Pipeline and subject to Section 10 of the General Terms and Conditions of this FERC Gas Tariff, service under this Rate Schedule shall not be available to the extent that Pipeline would be required to construct, modify, expand or acquire any facilities to enable Pipeline to perform the requested services; provided, however, if Customer requests and Pipeline, on a non-discriminatory basis, elects to construct such facilities, Customer shall, at Pipeline's request, reimburse Pipeline for all costs and associated fees, licenses and other expenses incurred by Pipeline for the construction, modification, expansion or acquisition of facilities to enable Pipeline to perform the requested services.
- 1.4 Availability of service hereunder shall be subject to compliance by the party requesting service with all other provisions of this Rate Schedule ITS-OSF and the General Terms and Conditions of this FERC Gas Tariff.

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**Original Sheet No. 47** Original Sheet No. 47 : Effective

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Service under this Rate Schedule shall provide Customer with interruptible transportation of natural gas by Pipeline for Customer on Pipeline's Offshore Facilities between agreed upon Point(s) of Receipt and Point(s) of Delivery. Interruptible transportation service under this Rate Schedule shall be available when and to the extent that Pipeline determines that capacity is available on its Offshore Facilities.
- 2.2 Pipeline shall receive for Customer at the Point(s) of Receipt, and shall transport and deliver at the Point(s) of Delivery daily quantities of gas up to Customer's MDQ; provided, however, Pipeline shall not be obligated to receive or to deliver quantities of gas on any day in excess of the quantity nominated and scheduled for that day.

3. REQUESTS AND QUALIFICATIONS FOR SERVICE

- 3.1 All Potential Customers requesting interruptible transportation service on Offshore Facilities must comply with the procedures and provide the information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff in order to qualify for transportation under this Rate Schedule.
- 3.2 No request for service under this Rate Schedule will be deemed valid until all information set forth in Sections 26 and 27 of the General Terms and Conditions of this FERC Gas Tariff is received by Pipeline.
  - (a) In the event the request for service is deficient as to form, Pipeline shall not process the request and shall notify the Potential Customer, providing thirty (30) days for Potential Customer to resubmit its request. In the further event that Potential Customer fails to resubmit its request in proper form within such thirty (30) day period, the request for service shall be null and void.

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**Original Sheet No. 48** Original Sheet No. 48 : Effective

- (b) In the event the request for service is valid as to form but Pipeline is unable to provide the requested service due to capacity constraints or other operational conditions, Pipeline shall so inform the Potential Customer.
  - (c) In the event the request for service is valid as to form but less than the maximum rate is offered or Potential Customer requests variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, Pipeline shall not be obligated to provide the requested service.
  - (d) In the event the request for service is valid as to form, the maximum rate is offered, and there are no variances from the terms and conditions contained in the FERC Gas Tariff or the form of Service Agreement therein, or if Pipeline finds the proffered rate or proffered terms and conditions acceptable, Pipeline shall deliver a Service Agreement to the Potential Customer. Upon return of an executed Service Agreement, a Potential Customer shall be entitled to the service requested.
  - (e) In the event a Service Agreement is delivered to the Potential Customer but is not executed by the Potential Customer and returned to Pipeline within thirty (30) days of its dispatch by Pipeline, the request for service shall expire.
- 3.3 Customer's Service Agreement shall be terminated if Customer fails to nominate or tender gas within thirty (30) days after the later of:
- (a) The date service was requested to commence pursuant to Paragraph 27.1(e) of the General Terms and Conditions of this FERC Gas Tariff;
  - (b) The date on which the Service Agreement is executed by Customer;

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**Original Sheet No. 49** Original Sheet No. 49 : Effective

- (c) The date on which Customer is notified that any facilities necessary to provide the requested service are ready for service; or
- (d) The date on which any necessary governmental approvals or authorizations are received and accepted by the appropriate party.

3.4 Customer's Service Agreement shall be terminated if, after commencement of initial service, Customer fails to nominate or tender gas within thirty (30) days after notice by Pipeline of its intent to terminate Customer's Service Agreement by reason of failure of Customer to transport gas for a six (6) month consecutive period.

3.5 Customer's failure to schedule transportation shall be excused by an event of force majeure, as defined in Section 13 of the General Terms and Conditions; provided, however, such failure to schedule transportation shall be excused only for the duration of the force majeure event.

4. RATE

4.1 The rate for interruptible transportation service provided under this Rate Schedule shall be the amount negotiated by Pipeline and Customer, which shall not be more than the maximum, nor less than the minimum for this Rate Schedule as set forth on currently effective Tariff Sheet No. 4A.

4.2 Pipeline shall have the right to retain one and one-half percent (1.5%) of the quantities of gas delivered to Pipeline for Fuel Reimbursement. Any change in such fuel rate shall be made effective only at the beginning of a month.

4.3 Customer shall pay Pipeline the Annual Charge Adjustment ("ACA"), as set forth on currently effective Tariff Sheet No. 4A.

4.4 Customer shall also pay Pipeline the applicable rates, charges, and fees as set forth on currently effective Tariff Sheet No. 4A or as may be assessed, required or permitted to

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**Original Sheet No. 50** Original Sheet No. 50 : Effective

be charged by the FERC, any regulatory body or court of competent jurisdiction related to the service provided hereunder.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's FERC Gas Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provisions herein.

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**Original Sheet No. 51** Original Sheet No. 51 : Effective

RATE SCHEDULE SS

Sales Service

1. AVAILABILITY

This Rate Schedule is available to any party for the purchase of natural gas from Pipeline upon the execution of a Service Agreement appropriate for service under this Rate Schedule. Such Service Agreement shall be substantially in the form contained in Pipeline's FERC Gas Tariff of which this Rate Schedule SS is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to natural gas sold by Pipeline to Customer.

2.2 Natural gas shall be sold to Customer by Pipeline only at Point(s) of Receipt on Pipeline's system.

3. RATES

Customer shall pay Pipeline under this Rate Schedule a rate to be negotiated between Customer and Pipeline.

4. DAILY CONTRACT VOLUMES

Daily contract volumes shall be specified in each Service Agreement executed between Pipeline and Customer.

5. TERM

Pipeline's obligation to provide service under this Rate Schedule shall terminate upon the expiration of the Service Agreement.

6. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms

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**Original Sheet No. 52** Original Sheet No. 52 : Effective

and conditions are not contradicted by any provisions herein.

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**Sheet Nos. 53 - 99** Sheet Nos. 53 - 99 : Effective

Reserved for Future Use

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**First Revised Sheet No. 100** First Revised Sheet No. 100 : Effective  
Superseding: Original Sheet No. 100

GENERAL TERMS AND CONDITIONS

Each of the following General Terms and Conditions applies to each Rate Schedule contained in this Fourth Revised Volume No. 1, unless otherwise indicated herein or in the applicable Rate Schedule.

1. DEFINITIONS

The following terms, when used herein or in any agreement incorporating these General Terms and Conditions shall have the following meaning:

- 1.1 AGENT. The term "Agent" shall mean any party designated by a Customer to act on such Customer's behalf under the terms and conditions of this FERC Gas Tariff.
- 1.2 BCF. The term "Bcf" shall mean one billion (1,000,000,000) cubic feet of gas.
- 1.3 BILLING MONTH or MONTH. The terms "billing month or month" shall mean the calendar month.
- 1.4 BRITISH THERMAL UNIT (Btu). The term "Btu" shall mean the quantity of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five-tenths degrees Fahrenheit (58.5? F.) to fifty-nine and five-tenths degrees Fahrenheit (59.5? F.) at a constant pressure of fifteen and twenty-five thousandths (15.025) pounds per square inch absolute (15.025 psia). Such quantity shall be reported in compliance with NAESB Standard 2.3.9 which is incorporated herein by reference.
- 1.5 BUSINESS DAY. Business day is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays occurring in Canada and Mexico
- 1.6 COMMISSION or FERC. The terms "Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor agency.
- 1.7 CRITICAL NOTICE. The term "critical notice" shall mean a notice, in accordance with NAESB standards, which pertains to information on Pipeline conditions that affect scheduling or adversely affect scheduled gas flow.
- 1.8 CUBIC FOOT OF GAS. The term "cubic foot of gas" shall mean, for the purpose of measurement of the gas and for all other purposes of this Tariff, the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of fifteen and twenty-five thousandths (15.025) pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. Such amount shall be reported in compliance with NAESB Standard 2.3.9 which is incorporated herein by Reference.

Effective Date: 06/01/2002 Status: Pending  
FERC Docket: RP00-400-001

**First Revised Sheet No. 101** First Revised Sheet No. 101 : Pending

Superseding: Original Sheet No. 101

- 1.9 CUSTOMER. The term "Customer" shall mean any party that has Executed a Service Agreement under one or more of pipeline's Rate Schedules, including capacity release transactions, or such party's Agent.
- 1.10 CUSTOMER'S NOTICE. The term "Customer's Notice" shall mean that notice provided by Releasing Customer to Pipeline which includes the terms and conditions applicable to the capacity to be released.
- 1.11 DAY. The term "day" shall mean a period of twenty-four (24) consecutive hours beginning as near as practical to 9:00 a.m. central clock time.
- 1.12 DEKATHERM (dth). The term "dekatherm" shall mean the quantity of heat energy which is equivalent to one million (1,000,000) Btu's and may also be expressed as one (1) MMBtu. The dekatherm shall be the standard quantity for nominations, confirmation and scheduling per gas day. GISB standard 1.3.14 is incorporated herein by reference.
- 1.13 FUEL REIMBURSEMENT. The term "Fuel Reimbursement" shall mean compensation for used and unaccounted for fuel which is utilized by Pipeline in performing transportation services for Customers.
- 1.14 GISB. The term "GISB" shall mean the Gas Industry Standards Board or any successor entity.
- 1.15 GISB Standards. The term "GISB Standards" shall mean those standards relating to business practices and electronic communications published by GISB as adopted by the FERC and included in the Code of Federal Regulations through due process The following GISB standards are incorporated into these General Terms and Conditions by Reference: 1.3.19, 2.3.10, 2.3.15; 2.3.24; 3.3.8; 3.3.11; 3.3.16; 3.3.20; 3.3.21; 5.3.9; 5.3.25. Unless specifically indicated otherwise, all incorporated standards are as reflected in GISB Version 1.3.
- 1.16 INTRA-DAY NOMINATION. The term "intra-day nomination" shall mean a nomination which is submitted after the nomination deadline whose effective time is no later than the beginning of the gas day and runs through the end of that gas day.

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FERC Docket: RP02-486-000

**Second Revised Sheet No. 101** Second Revised Sheet No. 101 : Effective  
Superseding: First Revised Sheet No. 101

- 1.9 CUSTOMER. The term "Customer" shall mean any party that has Executed a Service Agreement under one or more of pipeline's Rate Schedules, including capacity release transactions, or such party's Agent.
- 1.10 CUSTOMER'S NOTICE. The term "Customer's Notice" shall mean that notice provided by Releasing Customer to Pipeline which includes the terms and conditions applicable to the capacity to be released.
- 1.11 DAY. The term "day" shall mean a period of twenty-four (24) consecutive hours beginning as near as practical to 9:00 a.m. central clock time.
- 1.12 DEKATHERM (dth). The term "dekatherm" shall mean the quantity of heat energy which is equivalent to one million (1,000,000) Btu's and may also be expressed as one (1) MMBtu. The dekatherm shall be the standard quantity for nominations, confirmation and scheduling per gas day.
- 1.13 FUEL REIMBURSEMENT. The term "Fuel Reimbursement" shall mean compensation for used and unaccounted for fuel which is utilized by Pipeline in performing transportation services for Customers.
- 1.14 NAESB. The term "NAESB" shall mean the North American Energy Standards Board or any successor entity.
- 1.15 NAESB Standards. The term "NAESB Standards" shall mean those standards relating to business practices and electronic communications published by NAESB as adopted by the FERC and included in the Code of Federal Regulations through due process. Unless specifically indicated otherwise, all incorporated standards are as reflected in NAESB Version 1.5.
- 1.16 INTRA-DAY NOMINATION. The term "intra-day nomination" shall mean a nomination which is submitted after the nomination deadline whose effective time is no later than the beginning of the gas day and runs through the end of that gas day.

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*FERC Docket: GT01- 30-000*

**Original Sheet No. 102** Original Sheet No. 102 : Effective

- 1.17 MAXIMUM DAILY QUANTITY (MDQ). The term "maximum daily quantity," shall mean the maximum contractual quantity of gas converted to MMBtus which Pipeline, as applicable, is obligated to receive from or deliver to a Customer in any one day in accordance with its Service Agreement with Pipeline.

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FERC Docket: RP02-486-000

**First Revised Sheet No. 103** First Revised Sheet No. 103 : Effective  
Superseding: Original Sheet No. 103

- 1.18 MAXIMUM ANNUAL QUANTITY (MAQ). The term "maximum annual quantity" shall mean the maximum contractual quantity of gas converted to MMBtus which Pipeline is obligated to receive from or deliver to a Customer in accordance with its Service Agreement with Pipeline in any calendar year.
- 1.19 MCF. The term "Mcf" shall mean one thousand (1,000) cubic feet of gas.
- 1.20 MMBTU. The term "MMBtu" shall mean one million (1,000,000) Btus and shall be used interchangeably with the term "dekatherm".
- 1.21 NATURAL GAS or GAS. The terms "natural gas" or "gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane.
- 1.22 NOMINATION. The term "nomination" shall mean a communication, tendered by Customer to Pipeline, consisting of a line item containing all NAESB defined components.
- 1.23 OFFSHORE FACILITIES. The term "Offshore Facilities" shall mean the facilities owned by Pipeline that are located in state or federal offshore waters and are subject to Section 5 of the Outer Continental Shelf Lands Act (OCSLA).
- 1.24 OPERATIONAL BALANCING AGREEMENT or OBA - The term "Operational Balancing Agreement" or "OBA" shall mean a contract between two parties which specifies the procedures to manage operating variances at an interconnect.
- 1.25 OPERATIONAL FLOW ORDER. The term "Operational Flow Order" shall mean an order issued by Pipeline directing a Customer to take or refrain from taking any action, as set forth in Paragraph 5.9(b) of the General Terms and Conditions.
- 1.26 PACKAGE ID. The term "Package ID" shall mean a way to differentiate between discrete business transactions.
- 1.27 PIPELINE. The term "Pipeline" shall mean Enbridge Pipelines (Midla) Inc.

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FERC Docket: RP02-486-000

**First Revised Sheet No. 104** First Revised Sheet No. 104 : Effective  
Superseding: Original Sheet No. 104

- 1.28 POINT OPERATOR. The term "Point Operator" shall mean any party interconnected to Pipeline or acting as agent for the interconnected party who is authorized to confirm Customer nominations and ensure, in cooperation with Customer and other parties in the confirmation path, that physical flows conform to the nominated activity.
- 1.29 POTENTIAL CUSTOMER. The term "Potential Customer" shall mean any entity that is seeking the execution of a Service Agreement with Pipeline; provided, however, a Potential Customer that enters into a Service Agreement with Pipeline shall be subject to the provisions of this FERC Gas Tariff to the same extent and in the same manner as any other Customer.
- 1.30 POINT(S) OF DELIVERY. The term "Point(s) of Delivery" shall mean those points on Pipeline's system available to Customer for the delivery of gas from Pipeline as specified in an executed Service Agreement.
- 1.31 POINT(S) OF RECEIPT. The term "Point(s) of Receipt" shall mean those points on Pipeline's system available to Customer for the delivery of gas to Pipeline as specified in an executed Service Agreement.
- 1.32 POOLING. The term "pooling" shall mean 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and /or logical points.
- 1.33 PREARRANGED CUSTOMER. The term "Prearranged Customer" shall mean any entity proposed by a Releasing Customer which seeks to obtain Releasing Customer's released capacity under the rates, terms, and conditions contained in the Customer's Notice.
- 1.34 RELEASING CUSTOMER. The term "Releasing Customer" shall mean a Customer which has notified Pipeline that it seeks to release firm capacity pursuant to Pipeline's capacity release program set forth in Section 4 of Pipeline's General Terms and Conditions.
- 1.35 SERVICE AGREEMENT. The term "Service Agreement" shall mean an executed agreement between Pipeline and Customer to provide a service pursuant to one of Pipeline's Rate Schedules

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**Original Sheet No. 105** Original Sheet No. 105 : Effective

- 1.36 SERVICE AREA. The term "Service Area" shall mean the area in which Customer was authorized to provide service by applicable state regulatory agencies as of May 18, 1992.

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Original Sheet No. 106 Original Sheet No. 106 : Effective

2. QUALITY

- 2.1 NATURAL GAS. The gas received or delivered by Pipeline shall be of the quality and character of natural gas produced in its natural state from wells (subject only to the removal of moisture, liquefiable hydrocarbons, and other component parts including inerts except methane) including, with limitation, natural gas, revaporized natural gas, synthetic natural gas, artificial natural gas, or a mixture of such gases.
- 2.2 HEATING VALUE. The gas delivered to or sold by Pipeline shall not have a total heating value less than 950 Btu per cubic foot nor greater than 1150 Btu per cubic foot at the pressure and temperature hereinafter provided and at the moisture content of the gas delivered.
- 2.3 PROCESSING. Pipeline may subject or permit the subjection of the gas to compression, cooling, cleaning, or other processes as may be required for its transmission.
- 2.4 ABSENCE OF OBJECTIONABLE MATTER. Unless otherwise provided in a Service Agreement between Pipeline and Customer, and taking into account the operation of Pipeline's system, the gas received or delivered by Pipeline to Customer shall be subject to the following specifications and any other specifications as may be agreed to by Pipeline and Customer:
  - (a) the gas shall be commercially free from foreign substances and fluids;
  - (b) the gas shall not contain more than 2 grains of hydrogen sulphide per 100 cubic feet;
  - (c) the gas shall not contain more than 20 grains of total sulphur per 100 cubic feet;
  - (d) the gas shall not contain an amount of moisture exceeding that corresponding to saturation at the actual temperature and pressure of the gas delivered and water shall not be present in liquid phase.

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Original Sheet No. 107 Original Sheet No. 107 : Effective

2.5 OPTION TO WAIVE. Pipeline shall have the option to waive, on a non-discriminatory basis, any of the above quality specifications to permit Customer to tender gas to Pipeline if Pipeline, in its reasonable judgment, determines that such gas shall not adversely affect Pipeline's facilities or operations.

3. ELECTRONIC BULLETIN BOARD & Electronic Communication

3.1 Pipeline has established an electronic bulletin board (EBB) system for use by any EBB system subscriber. The EBB system shall be available on a nondiscriminatory basis to any EBB system subscriber that has compatible equipment for electronic transmission of data, provided that such subscriber has been assigned a user identification and password and agrees to comply with the procedures for access to and use of the EBB system. Information and instructions on accessing the EBB system may be obtained by calling Pipeline at (713) 650-8900 or by dialing in to the EBB system at (713) 752-0651.

3.2 The EBB system provides on-line help, a search function that permits an EBB system subscriber to locate information concerning a specific transaction, and menus that permit an EBB system subscriber to access separately each record in the transportation request log, notices of available capacity, critical notices and standards of conduct information. The EBB system, to the extent necessary, permits an EBB system subscriber to electronically download a file(s) from the EBB system and to separate extremely large documents into smaller files prior to such downloading. Pipeline will maintain and retain daily back-up records of the information displayed on the EBB system for the prior three (3) years (except that information prior to September 1, 1993 which is available in more limited content and format) and permit an EBB system subscriber to review and download those records, upon request, which shall be archived and reasonably accessible. Pipeline shall periodically delete transactions from the EBB system files when transactions have been completed. Information on the most recent entries shall appear ahead of older information.

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**First Revised Sheet No. 108** First Revised Sheet No. 108 : Effective

Superseding: Original Sheet No. 108

- 3.3 An EBB system subscriber has the option to utilize the EBB system for the following purposes:
- (a) Requesting and tracking subscriber's Service Agreements, submitting nominations and allocations, and viewing subscriber's operational imbalances; and (b) Participating in Pipeline's capacity release program pursuant to Section 4 of Pipeline's General Terms and Conditions, or posting a request for capacity.
- 3.4 Pipeline shall maintain on the EBB system a list of Point(s) of Receipt and Point(s) of Delivery currently available on its system and the current availability of firm and interruptible capacity on Pipeline's system. The EBB shall show whether the capacity is available from Pipeline directly, or through Pipeline's Capacity Release and Assignment program as set forth in Section 4 of Pipeline's General Terms and Conditions.
- 3.5 Pipeline shall provide for opportunities for electronic communication with customers, Agents and third parties authorized to participate in electronic communications on behalf of Customer (upon election to participate in such opportunities, such entity shall become an electronic trading partner of Pipeline). Such communication shall be in compliance with NAESB enumerated Electronic Delivery Mechanism Standards.
- (a) such communication shall be available on a non-discriminatory basis to all parties.
  - (b) such communication shall be in compliance with the protocols set forth and procedures detailed in the NAESB Standards and governed by the NAESB Trading Partner Agreement.
  - (c) any such electronic trading partner shall be responsible for its pro-rata share of transaction origination costs and shall reimburse Pipeline for all connect fees and monthly maintenance costs attributable to the establishment of such entity as an electronic communication partner.

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**First Revised Sheet No. 109** First Revised Sheet No. 109 : Effective

Superseding: Original Sheet No. 109

- 3.6 Pipeline has established an Internet World Wide Web ("IWWW") site for use by any party on the public Internet. The IWWW site shall be available on a nondiscriminatory basis to any party that has compatible equipment for the electronic transmission of data. Information regarding access of the IWWW site may be obtained by calling the Pipeline at (713) 650-8900.
- (a) Certain Pipeline information is accessible through the Internet's World Wide Web via a location on a HTML Page. Pipeline's Internet Web Page may be accessed at [www.midcoastenergy.com/midla.htm](http://www.midcoastenergy.com/midla.htm). Information provided includes
- 1) Notices (critical notices, operational notices, system wide notices, etc.)
  - 2) FERC Order 566 affiliated marketer information. (Affiliate allocation log, 24 hr. Discount postings, etc.)
  - 3) Operationally available and unsubscribed capacity
  - 4) Index of Customers
  - 5) Pipeline's tariff (Terms, conditions and rates), or general terms and conditions.
- 3.7 An EBB system or other such electronic communication system subscriber assumes sole responsibility for its use of the EBB or other such electronic communication system and indemnifies and holds Pipeline harmless against any liability or claim of any party that is attributable to improper use of such system arising from subscriber's use. Pipeline shall have no responsibility to an EBB system subscriber, electronic communications partner, or any third party for accuracy of any information posted on or through Pipeline's EBB or other electronic communication system, faulty retrieval, failure of retrieval, or loss of research, and in no event will Pipeline be liable to an EBB system subscriber or electronic trading partner for consequential, exemplary, or special damages resulting, in whole or in part, from EBB system subscriber's or electronic trading partner's use of such electronic communication system.

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**First Revised Sheet No. 110** First Revised Sheet No. 110 : Pending  
Superseding: Original Sheet No. 110

4. CAPACITY RELEASE

- 4.1 (a) This section sets forth a capacity release program under which a Releasing Customer can release all or part of its firm capacity back to Pipeline for assignment to a Potential Customer or a Prearranged Customer that is seeking the capacity of the Releasing Customer by entering into a Service Agreement with Pipeline. Pipeline will permit segmentation of capacity right held by Customer(s) including Replacement Customer(s), to the maximum extent it is operationally feasible. Provided, however, that a Releasing Customer shall not be permitted to release capacity until the Potential Customer or a Prearranged Customer enters into a Service Agreement with Pipeline for such released capacity. Provided, further, that the above requirement for contracting shall not inhibit the ability of the Replacement Customer to submit a nomination at the next available opportunity after the Pipeline is notified of the release. GISB Standard(s) 5.3.5, 5.3.8, and 5.3.30 are incorporated herein by reference.
- (b) A Releasing Customer may release capacity held pursuant to 18 C.F.R. Subparts B or G of Part 284 of the Commission's regulations. A Releasing Customer which receives service under a firm Rate Schedule under this FERC Gas Tariff is permitted to release its capacity in whole or in part, including any segments of its capacity, and on a permanent or temporary basis. When a Releasing Customer assigns its service rights by segments and/or assigns only a portion of its MDQ under that agreement, the Releasing Customer's Service Agreement shall be deemed to be modified in accordance with the assignment and the Releasing Customer will be able to utilize only the unassigned service rights during the term of the release.

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**Second Revised Sheet No. 110** Second Revised Sheet No. 110 : Effective  
Superseding: First Revised Sheet No. 110

4. CAPACITY RELEASE

- 4.1 (a) This section sets forth a capacity release program under which a Releasing Customer can release all or part of its firm capacity back to Pipeline for assignment to a Potential Customer or a Prearranged Customer that is seeking the capacity of the Releasing Customer by entering into a Service Agreement with Pipeline. Pipeline will permit segmentation of capacity right held by Customer(s) including Replacement Customer(s), to the maximum extent it is operationally feasible. Provided, however, that a Releasing Customer shall not be permitted to release capacity until the Potential Customer or a Prearranged Customer enters into a Service Agreement with Pipeline for such released capacity. Provided, further, that the above requirement for contracting shall not inhibit the ability of the Replacement Customer to submit a nomination at the next available opportunity after the Pipeline is notified of the release.
- (b) A Releasing Customer may release capacity held pursuant to 18 C.F.R. Subparts B or G of Part 284 of the Commission's regulations. A Releasing Customer which receives service under a firm Rate Schedule under this FERC Gas Tariff is permitted to release its capacity in whole or in part, including any segments of its capacity, and on a permanent or temporary basis. When a Releasing Customer assigns its service rights by segments and/or assigns only a portion of its MDQ under that agreement, the Releasing Customer's Service Agreement shall be deemed to be modified in accordance with the assignment and the Releasing Customer will be able to utilize only the unassigned service rights during the term of the release.

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**First Revised Sheet No. 111** First Revised Sheet No. 111 : Pending

Superseding: Original Sheet No. 111

4.2 Non biddable releases

The hourly deadlines set forth in this Section 4.2 are applicable to all parties involved but shall be required only if the following apply: 1) all information provided by the parties to the transaction is valid and the Potential Shipper has been determined to be credit worthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release.

(a) Timely Cycle

- (1) Posting of prearranged deals, not subject to bid, are due by 10:30 a.m. on a business day.
- (2) Contract shall be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations shall be possible beginning at the next available nomination cycle for the effective date of the contract.

(b) Evening Cycle

- (1) Posting of prearranged deals, not subject to bid, are due by 5:30 p.m. on a business day.
- (2) Contract shall be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations shall be possible beginning at the next available nomination cycle for the effective date of the contract.

(c) Intraday 1 Cycle

- (1) Posting of prearranged deals, not subject to bid, are due by 9:00 a.m. on a business day.
- (2) Contract shall be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations shall be possible beginning at the next available nomination cycle for the effective date of the contract.

(d) Intraday 2 Cycle

- (1) Posting of prearranged deals, not subject to bid, are due by 4:00 p.m. on a business day.
- (2) Contract shall be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations shall be possible beginning at the next available nomination cycle for the effective date of the contract.

4.3 Biddable Releases

The hourly deadlines set forth in this Section 4.3 are applicable to all parties involved but shall be required only if the following apply: 1) all information provided by the parties to the transaction is valid and the Potential Shipper has been determined to be credit worthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release.

(a) For less than 1 Year

- (1) Offer for capacity release shall be tendered by 12:00 p.m. on a Business Day.
- (2) Open season ends no later than 1:00 p.m. on a Business Day (evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken).
  - (i) Match or award is communicated by 2:00 p.m.
  - (ii) Where match is required, award posting shall be by 3:00 p.m.

**Substitute First Revised Sheet No. 111** Substitute First Revised Sheet No. 111 : Effective  
Superseding: Original Sheet No. 111  
4.2 Non biddable releases

The hourly deadlines set forth in this Section 4.2 are applicable to all parties involved but shall be required only if the following apply: 1) all information provided by the parties to the transaction is valid and the Potential Shipper has been determined to be credit worthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release.

- (a) Timely Cycle
  - (1) Posting of prearranged deals, not subject to bid, are due by 10:30 a.m. on a business day.
  - (2) Contract shall be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations shall be possible beginning at the next available nomination cycle for the effective date of the contract.
- (b) Evening Cycle
  - (1) Posting of prearranged deals, not subject to bid, are due by 5:00 p.m. on a business day.
  - (2) Contract shall be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations shall be possible beginning at the next available nomination cycle for the effective date of the contract.
- (c) Intraday 1 Cycle
  - (1) Posting of prearranged deals, not subject to bid, are due by 9:00 a.m. on a business day.
  - (2) Contract shall be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations shall be possible beginning at the next available nomination cycle for the effective date of the contract.
- (d) Intraday 2 Cycle
  - (1) Posting of prearranged deals, not subject to bid, are due by 4:00 p.m. on a business day.
  - (2) Contract shall be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations shall be possible beginning at the next available nomination cycle for the effective date of the contract.

4.3 Biddable Releases

The hourly deadlines set forth in this Section 4.3 are applicable to all parties involved but shall be required only if the following apply: 1) all information provided by the parties to the transaction is valid and the Potential Shipper has been determined to be credit worthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release.

- (a) For less than 1 Year
  - (1) Offer for capacity release shall be tendered by 12:00 p.m. on a Business Day.
  - (2) Open season ends no later than 1:00 p.m. on a Business Day (evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken).
    - (i) Match or award is communicated by 2:00 p.m.
    - (ii) Where match is required, award posting shall be by 3:00 p.m.

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**Original Sheet No. 112** Original Sheet No. 112 : Effective

Pipeline's EBB system until the expiration of the minimum Bid Period set forth in Paragraph 4.3(d) or, if longer, the expiration of the Bid Period specified in the Customer's Notice. A Releasing Customer may withdraw its Customer's Notice by providing written or electronic notice to Pipeline of such withdrawal prior to the close of the Bid Period; provided, however, such withdrawal shall only be valid if such Releasing Customer has an unanticipated requirement for capacity and no minimum bid has been tendered. Pipeline shall be held harmless by the Releasing Customer for the withdrawal of capacity. The notice must contain the reason for the withdrawal, which Pipeline shall post on its EBB. A Releasing Customer shall be permitted to search for a party to contract for its capacity both before and after such capacity is posted on Pipeline's EBB system; provided, however, that a Service Agreement shall not be executed until the capacity has been posted for release on Pipeline's EBB system and the procedures set forth in this Section 4 have been completed.

- (c) Before a bid of a Potential Customer for released capacity is posted on Pipeline's EBB system, Pipeline shall review such bid to ensure that the bid complies with the requirements of this Section 4. Compliant bids shall be posted upon receipt by Pipeline unless otherwise stipulated by Releasing Customer. A bid posted by Pipeline shall include all terms and conditions of such bid except for the identity of the Potential Customer. In the event that the bid does not meet the requirements of this Section 4, Pipeline will notify the Potential Customer of such bid and allow the Potential Customer to revise its bid to comply with these requirements. Pipeline shall not be required to adhere to the capacity release time line in order to process nor shall Pipeline be required to post a bid which does not comply with the requirements set forth in this Section 4, and shall not be required to post a bid which is not resubmitted, in the event revision is required, prior to the expiration of the Bid Period. Before the expiration of the Bid Period, a Potential Customer shall be permitted to withdraw its bid by notifying Pipeline through

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- (3) A contract will be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations possible beginning at the next available nomination cycle for the effective date of the contract.
  
- (b) For 1 Year or more
  - (1) Offer for capacity release shall be tendered by 12:00 p.m. four (4) Business Days before award.
  - (2) Open season ends no later than 1:00 p.m. on the Business Day before timely nominations are due (open season is three(3) Business Days.
    - (i) Evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken.
    - (ii) Evaluation period ends and award is posted, if no match is required, at 2:00 p.m.
    - (iii) Match or award is communicated by 2:00 p.m.
    - (iv) If required, a match response is due by 2:30 pm.
    - (v) Where match is required, award posting shall be by 3:00 p.m.
  
  - (3) A contract will be issued within one (1) hour of award posting (with a new contract number, when applicable). Nominations possible beginning at the next available nomination cycle for the effective date of the contract.
  
- (c) A firm Customer that wishes to release capacity subject to bidding (and thereby become a Releasing Customer) must notify Pipeline through electronic or through written notice (hereinafter called Customer's Notice). All terms and conditions included in Customer's Notice must be objectively stated and applicable to all Potential and Prearranged Customers on a non-discriminatory basis. Customer's Notice shall include the information set forth in Paragraph 4.6.
  
- (d) In order to qualify for processing in accordance with the capacity release timeline herein stipulated and before Customer's Notice is posted on Pipeline's EBB system, Pipeline shall review such Customer's Notice to ensure that Customer's Notice complies with the requirements of Paragraph 4.6. Compliant notices shall be posted upon receipt by Pipeline unless otherwise stipulated by Releasing Customer. In the event that Customer's Notice does not meet the requirements of Paragraph 4.6, Pipeline will notify Customer of such Customer's Notice and allow Customer to revise its Customer's Notice to comply with these requirements. Pipeline shall not be required to adhere to the capacity release timeline in order to process nor shall Pipeline be required to post a Customer's Notice which does not comply with the requirements set forth in Paragraph 4.6. A Customer's Notice posted by Pipeline shall include the date and time such Customer's Notice was posted on Pipeline's EBB. A Customer's Notice shall be posted on

written or electronic means. Telephone calls or other verbal withdrawals shall not be permitted. Once a bid is withdrawn, such Potential Customer may only submit a new bid for the released capacity if such bid is at a higher rate than the withdrawn bid. Bids received by Pipeline shall be irrevocable and binding, pending acceptance by Pipeline, upon the expiration of the Bid Period.

- (d) Unless Releasing Customer designates a longer period in its Customer's Notice, Potential Customers shall have three (3) business days, exclusive of the day of posting, within which to submit bids for the released capacity. Such bidding period shall conclude at 2:00 P.M. on the day before nominations are due.
- (e) Upon expiration of the Bid Period and no later than 3:00 P.M. of the day before nomination are due, Pipeline shall select the "best offer" from among the bids received, based upon the criteria provided by the Releasing Customer in its Customer's Notice. The criteria submitted by the Releasing Customer must be objectively stated and must be applicable to all Potential Customers on a non-discriminatory basis. For the capacity release business process timing model, only the following methodologies are required to be supported by Pipeline and provided to Shipper as choices from which Releasing Shipper may select and, once chosen should be used in determining awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue, and 3) present value. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the Pipeline. However, Pipeline is not required to offer other choices or similar timeline treatment for other choices, nor, is Pipeline held to the timeline should the Releasing Shipper elect another method of evaluation.
- (f) In the event Releasing Customer elects not to submit criteria for Pipeline to utilize in determining the "best offer," the "best offer" shall be the bid, as determined solely by Pipeline, generating the highest net present value, using a ten percent (10%) discount factor, based on the rate bid (reservation component), the applicable quantities, and the term or period bid upon. If two or more bids are identical based on the "best offer" criteria described above, the released capacity will be awarded to the Potential Customer who submitted the "best offer" first in time. Pipeline shall communicate match bids or award bids by 3:00 P.M. on the day before nominations are due and allow any Prearranged Customer to match the "best offer" by 4:00 P.M. of the day before nominations are due. If the Prearranged Customer matches the "best offer," Pipeline shall contract with such Prearranged Customer. If the Prearranged Customer does not match the "best offer," Pipeline shall contract with the Potential Customer who

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Pipeline's EBB system until the expiration of the minimum Bid Period set forth in this Paragraph 4.3 or, if longer, the expiration of the Bid Period specified in the Customer's Notice. A Releasing Customer may withdraw its Customer's Notice by providing written or electronic notice to Pipeline of such withdrawal prior to the close of the Bid Period; provided, however, such withdrawal shall only be valid if such Releasing Customer has an unanticipated requirement for capacity and no minimum bid has been tendered. Pipeline shall be held harmless by the Releasing Customer for the withdrawal of capacity. The notice must contain the reason for the withdrawal, which Pipeline shall post on its EBB. A Releasing Customer shall be permitted to search for a party to contract for its capacity both before and after such capacity is posted on Pipeline's EBB system; provided, however, that a Service Agreement shall not be executed until the capacity has been posted for release on Pipeline's EBB system and the procedures set forth in this Section 4 have been completed.

- (e) Before a bid of a Potential Customer for released capacity is posted on Pipeline's EBB system, Pipeline shall review such bid to ensure that the bid complies with the requirements of this Section 4. Compliant bids shall be posted upon receipt by Pipeline unless otherwise stipulated by Releasing Customer. A bid posted by Pipeline shall include all terms and conditions of such bid except for the identity of the Potential Customer. In the event that the bid does not meet the requirements of this Section 4, Pipeline will notify the Potential Customer of such bid deficiency and allow the Potential Customer to revise its bid to comply with these requirements. Pipeline shall not be required to adhere to the capacity release time line in order to process nor shall Pipeline be required to post a bid which does not comply with the requirements set forth in this Section 4, and shall not be required to post a bid which is not resubmitted, in the event revision is required, prior to the expiration of the Bid Period. Before the expiration of the Bid Period, a Potential Customer shall be permitted to withdraw its bid by notifying Pipeline through

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submitted the "best offer". Pipeline shall post awards no later than 5:00 P.M. on the day before nominations are due.

- (g) Releasing Customers, Potential Customers, or Prearranged Customers shall indemnify Pipeline from and against any and all losses, damages, expenses, or penalties of any and/or every kind and character which Pipeline or such Releasing, Potential, or Prearranged Customer may suffer, sustain, or be liable, and Pipeline shall be held harmless by Releasing Customers, Potential Customers, or Prearranged Customers from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of Pipeline's selection of the "best offer."
  
- (h) After each of the conditions of this FERC Gas Tariff and the terms and conditions specified in the Releasing Customer's Notice are met, Pipeline shall make available on Pipeline's EBB system or by other method, no later than 10:00 A.M. on the day nominations are due, the applicable Service Agreement to Potential or Prearranged Customer making the "best offer." Such Potential or Prearranged Customer shall execute and return to Pipeline the applicable Service Agreement prior to nominating. For Potential or Prearranged Customers who have either pre-qualified to submit bids for released capacity or act as a Prearranged Customer pursuant to Paragraph 4.10, the release shall be implemented after return of the fully executed applicable Service Agreement by fax or other delivery. For Potential or Prearranged Customers who are not prequalified to submit bids for released capacity or act as a Prearranged Customer, the release shall be implemented after return of the fully executed applicable Service Agreement by fax or other delivery and after receipt by Pipeline of the credit information set forth in Section 26 of Pipeline's General Terms and Conditions.

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written or electronic means. Telephone calls or other verbal withdrawals shall not be permitted. Once a bid is withdrawn, such Potential Customer may only submit a new bid for the released capacity if such bid is at a higher rate than the withdrawn bid. Bids received by Pipeline shall be irrevocable and binding, pending acceptance by Pipeline, upon the expiration of the Bid Period.

- (f) Pipeline shall select the "best offer" from among the bids received, based upon the criteria provided by the Releasing Customer in its Customer's Notice. The criteria submitted by the Releasing Customer must be objectively stated and must be applicable to all Potential Customers on a non-discriminatory basis. For the capacity release business process timing model, only the following methodologies are required to be supported by Pipeline and provided to Shipper as choices from which Releasing Shipper may select and, once chosen should be used in determining awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue, and 3) present value. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the Pipeline. However, Pipeline is not required to offer other choices or similar timeline treatment for other choices, nor, is Pipeline held to the timeline should the Releasing Shipper elect another method of evaluation.
  
- (g) In the event Releasing Customer elects not to submit criteria for Pipeline to utilize in determining the "best offer," the "best offer" shall be the bid, as determined solely by Pipeline, generating the highest net present value, using a ten percent (10%) discount factor, based on the rate bid (reservation component), the applicable quantities, and the term or period bid upon. If two or more bids are identical based on the "best offer" criteria described above, the released capacity will be awarded to the Potential Customer who submitted the "best offer" first in time.

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- (h) Releasing Customers, Potential Customers, or Prearranged Customers shall indemnify Pipeline from and against any and all losses, damages, expenses, or penalties of any and/or every kind and character which Pipeline or such Releasing, Potential, or Prearranged Customer may suffer, sustain, or be liable, and Pipeline shall be held harmless by Releasing Customers, Potential Customers, or Prearranged Customers from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of Pipeline's selection of the "best offer."
- (i) Upon receipt by pipeline of multiple bids meeting minimum conditions, Pipeline shall award bids, best bid first, until all offered capacity is awarded.

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- (h) Releasing Customers, Potential Customers, or Prearranged Customers shall indemnify Pipeline from and against any and all losses, damages, expenses, or penalties of any and/or every kind and character which Pipeline or such Releasing, Potential, or Prearranged Customer may suffer, sustain, or be liable, and Pipeline shall be held harmless by Releasing Customers, Potential Customers, or Prearranged Customers from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of Pipeline's selection of the "best offer."
- (i) Upon receipt by pipeline of multiple bids meeting minimum conditions, Pipeline shall award bids, best bid first, until all offered capacity is awarded.
- (j) Releasing Customer(s) may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination Cycle and the Evening Nomination Cycle, and recall unscheduled released capacity at the Intraday 1 and Intraday 2 Nomination cycles by providing notice to Pipeline by the following times for each cycle: 8 a.m. CCT for the Timely Nomination cycle; 5:00 p.m. CCT for the Evening Nomination Cycle; 8:00 a.m. CCT for the Intraday 1 Nomination Cycle, and 3:00 p.m. CCT for the Intraday 2 Nomination Cycle. Notification to Replacement Customer(s) shall be provided by Pipeline within one hour of receipt of recall notification.

4.4 Releases of less than five (5) Months

- (a) A firm Customer that wishes to release capacity for a term of less than five months ( and thereby become a Releasing Customer) and that has identified no Prearranged Customer must notify Pipeline electronically or in writing no later than 1:00 P.M. on the day prior to nominating such released capacity (hereinafter called Customer's Notice). All terms and conditions included in Customer's Notice must be objectively stated and applicable to all Potential Customers on a non-discriminatory basis. Customer's Notice shall include the information set forth in Paragraph 4.5.
  
- (b) In order to qualify for processing in accordance with the with the capacity release timeline herein stipulated and before Customer's Notice is posted on Pipeline's EBB system, Pipeline shall review such Customer's Notice to ensure that Customer's Notice complies with the requirements of Paragraph 4.5. Compliant notices shall be posted upon receipt by Pipeline unless otherwise stipulated by Releasing Customer. In the event that Customer's Notice does not meet the requirements of Paragraph 4.5, Pipeline will promptly notify Customer and allow Customer to revise its Customer's Notice to comply with these requirements. Pipeline shall not be required to adhere to the capacity release timeline in order to process nor shall Pipeline be required to post a Customer's Notice which does not comply with the requirements set forth in Paragraph 4.5. A Customer's Notice posted by Pipeline shall include the date and time such Customer's Notice was posted on Pipeline's EBB. A Customer's Notice shall be posted on Pipeline's EBB system until the expiration of the minimum Bid Period set forth in Paragraph 4.4(d) or, if longer, the Bid Period specified in the Customer's Notice. A Releasing Customer may withdraw its Customer's Notice by providing written or electronic notice to Pipeline of such withdrawal prior to the close of the Bid Period; provided, however, such withdrawal shall only be valid if such Releasing Customer has an unanticipated requirement for capacity and no minimum bid has been tendered for such capacity. Pipeline shall be held harmless by the Releasing Customer for the withdrawal of capacity. The notice must contain the reason for the withdrawal, which Pipeline shall post on its EBB. A Releasing Customer shall be permitted to search for a party to contract for its capacity both before and after such capacity is

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posted on Pipeline's EBB system; provided, however, that a Service Agreement shall not be executed until the capacity has been posted for release on Pipeline's EBB system and the procedures set forth in this Section 4 have been completed.

- (c) Before a bid of a Potential Customer for released capacity is posted on Pipeline's EBB system, Pipeline shall review such bid to ensure that the bid complies with the requirements of this Section 4. Compliant bids shall be posted upon receipt by Pipeline unless otherwise stipulated by Releasing Customer. A bid posted by Pipeline shall include all terms and conditions of such bid except for the identity of the Potential Customer. In the event that the bid does not meet the requirements of this Section 4, Pipeline will promptly notify the Potential Customer and allow the Potential Customer to revise its bid to comply with these requirements. Pipeline shall not be required to adhere to the capacity release timeline in order to process nor shall Pipeline be required to post a bid which does not comply with the requirements set forth in this Section 4, and shall not be required to post a bid which is not resubmitted, in the event revision is required, prior to the expiration of the Bid Period. Before the expiration of the Bid Period, a Potential Customer shall be permitted to withdraw its bid by notifying Pipeline electronically or in writing. Telephone calls or other verbal withdrawals shall not be permitted. Once a bid is withdrawn, such Potential Customer may only submit a new bid for the released capacity if such bid is at a higher rate than the withdrawn bid. Bids received by Pipeline shall be irrevocable and binding, pending acceptance by Pipeline, upon the expiration of the Bid Period.
- (d) A Customer's Notice which meets the requirements set forth in this Paragraph 4.4 and is received by Pipeline by 1:00 p.m. on a business day shall be posted on Pipeline's EBB system at 1:00 p.m. on such business day. A Customer's Notice which meets the requirements set forth in this Paragraph 4.4 and is received by Pipeline after 1:00 p.m. on a business day shall be posted on

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no later than 1:00 p.m. on the following business day. Unless Releasing Customer designates a longer period in its Customer's Notice, Potential Customers shall have one (1) hour (until 2:00 p.m.) within which to submit bids for the released capacity.

- (e) At 2:00 p.m., following the expiration of the Bid Period, Pipeline shall select the "best offer" from among the bids received, based upon the criteria provided by the Releasing Customer in its Customer's Notice. The criteria submitted by the Releasing Customer must be objectively stated and must be applicable to all Potential Customers on a non-discriminatory basis. For the capacity release business timing model, only the following methodologies are required to be supported by Pipeline and provided to Shipper as choices from which Releasing Shipper may select and, once chosen, should be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) revenue, and 3) present value. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the Pipeline. However, Pipeline is not required to offer other choices or similar timeline treatment for other choices, nor, is Pipeline held to the timeline should the Releasing Shipper elect another method of evaluation
- (f) In the event Releasing Customer elects not to submit criteria for Pipeline to utilize in determining the "best offer," the "best offer" shall be the bid, as determined solely by Pipeline generating the highest net present value, using a ten percent (10%) discount factor, based on the rate bid (reservation component), the applicable quantities, and the term or period bid upon. If two or more bids are identical based on the "best offer" criteria described above, the released capacity will be awarded to the Potential Customer who submitted the "best offer" first in time. Pipeline shall communicate match bids or award bids by 3:00 p.m. on the day before nominations are due and allow any Prearranged Customer to match the "best offer" by 4:00 p.m. of the day before nomination are due. If the Prearranged Customer matches the "best offer" Pipeline shall contract with such Prearranged Customer. If the Prearranged Customer does not match the "best offer" pipeline shall contract with the Potential Customer who submitted the "best offer". Pipeline shall post awards no later than 5:00 p.m. on the day before nominations are due.
- (g) Releasing Customers, Potential Customers, or Prearranged Customers shall indemnify Pipeline from and against any and all losses, damages, expenses, or penalties of any and/or every kind and character which Pipeline or such Releasing, Potential, or Prearranged Customer may suffer, sustain, or be liable, and Pipeline shall be

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held harmless by Releasing Customers, Potential Customers, or Prearranged Customers from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of Pipeline's selection of the "best offer."

- (h) After each of the conditions of this FERC Gas Tariff and the terms and conditions specified in the Releasing Customer's Notice are met, Pipeline shall make available on Pipeline's EBB system or by other method the applicable Service Agreement to a Potential Customer making the "best offer" by 10:00 a.m. of the business day following the expiration of the Evaluation Period. Such Potential Customer shall promptly execute and return to Pipeline the applicable Service Agreement after the Potential Customer downloads such Service Agreement from Pipeline's EBB system, or after the Potential Customer receives such Service Agreement by other method. For Potential Customers who have prequalified to submit bids for released capacity pursuant to Paragraph 4.10, the release shall be implemented after return of the fully executed applicable Service Agreement by fax or other delivery. For Potential Customers who are not prequalified to submit bids for released capacity, the release shall be implemented after return of the fully executed applicable Service Agreement by fax or other delivery and after receipt and approval by Pipeline of the credit information set forth in Section 26 of Pipeline's General Terms and Conditions. No later than forty-eight (48) hours following implementation of the release, Pipeline shall post notice on its EBB of the successful bidder.
- (i) The hourly deadlines set forth in this Section 4.4 are applicable to all parties involved but shall be required only if the following apply:
  - 1) all information provided by the parties to the transaction is valid and the Potential Shipper has been determined to be credit worthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release.
- (j) Upon receipt by Pipeline of multiple bids meeting minimum conditions, Pipeline shall award bids, best bid first, until all offered capacity is awarded.

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4.5 Recalls of capacity

A Releasing Customer may recall capacity released to a Replacement Customer, as negotiated in accordance with Paragraph 4.6(e) hereof, providing that the Releasing Customer provides to Pipeline and Replacement Customer notice of such recall in accordance with Section 15.1(i) (E).

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4.6 Customer's Notice

Customer's Notice submitted to Pipeline under Paragraph 4.3 or Paragraph 4.4 shall, at a minimum, include the following information:

- (a) the identity of the Releasing Customer, and the address to which release responses should be sent;
- (b) the identity of the Service Agreement between Pipeline and Releasing Customer under which capacity is held;
- (c) whether the release is to be on a permanent or temporary basis;
- (d) the specific quantity to be released, expressed numerically in MMBtus per day and as a percentage of the MDQ of the Service Agreement between Pipeline and Releasing Customer;
- (e) the period of time or term of the release, including any right of recall (including partial day) and if the capacity is subject to recall after the recall has ended; provided, however, that any recall of capacity by Releasing Customer from Replacement Customer shall be in accordance with Section 4.5 hereof;
- (f) other special terms and conditions Releasing Customer imposes on the release of its capacity, including, but not limited to, the minimum price, expressed either as a percentage of maximum tariff rate or as dollars and cents, term, and quantity for the released capacity;
- (g) any Prearranged Customer who wishes to obtain released capacity under the rates, terms, and conditions contained in the Customer's Notice;
- (h) at Customer's option and in lieu of Pipeline implementing the "best offer" determination set forth in Paragraph 4.3(f) for releases longer than one (1) month or Paragraph 4.4(f) for releases one (1) month or less, the objective criteria for Pipeline to utilize in order to determine what constitutes the "best offer"; In order, however, for a release to qualify for processing in accordance with the capacity release timelines set forth herein, only the following evaluation methodologies will be accepted by Pipeline for determination of best offer 1) highest rate, 2) net revenue, 3) present value.
- (i) at Customer's option and in lieu of Pipeline implementing the minimum posting period set forth

in Paragraph 4.3(d) for releases longer than one (1) month or Paragraph 4.4(d) for releases one (1) month or less, the length of the period for submission of offers (hereinafter called Bid Period); Customers requesting any modification to the Bid Period once a bid has been posted by Pipeline shall be required to withdraw the posted bid in accordance with Paragraphs 4.3(b) and 4.4(b) hereof and resubmit a modified bid in accordance with

- (j) whether bids on a one-part volumetric basis, which, for the release of one (1) year or more, shall not exceed the one-hundred percent (100%) load factor equivalent of the maximum reservation charge for the capacity being released, may be submitted by Potential Customer, and if so, the method for evaluating any such bids;
- (k) whether a contingent bid that extends beyond the Bid Period may be submitted, and the terms and conditions for determining whether the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder withdraw its bid; and
- (l) for release of one (1) year or more, the maximum reservation charge and all demand surcharges (whether Inclusive or separately stated) applicable to the capacity being released.
- (m) Effective until 9:00 a.m. central clock time on September 30, 2002, or such date as the Commission may order, there is no maximum rate for release of less than one (1) year.

#### 4.7 Formats of Notices, Bids, and Awards

Any Customer's Notice submitted to Pipeline by Releasing Customer, bid submitted to Pipeline by Potential or Prearranged Customer, or award made by Pipeline to Replacement Shipper shall when reflecting numerical values representing dollar amounts, specify an equivalent rate as reflected in Pipeline's current tariff. For any such transactions reflecting rates different than maximum tariff rates, converting daily rate to monthly rate is accomplished by multiplying the daily rate times number of days in rate period, dividing the result by number of months in rate period and taking the remainder out to five (5) decimal places

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and rounding up or down to Pipeline's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by number of month in rate period; dividing the result by number of days in rate period and taking the remainder out to five (5) decimals places and rounding up or down to the Pipeline's specified decimal place.

4.8 Prearranged Releases

- (a) A release of capacity by a Releasing Customer to a Prearranged Customer for any period of thirty-one (31) days or less need not comply with the notification and bidding procedure set forth in this Section 4; provided, however, that releases under this Paragraph 4.67 must be posted on Pipeline's EBB 9:00 a.m. on the day that nominations are due under such pre-arranged release and must be subsequently confirmed by replacement shipper. When a release of capacity under this Paragraph 4.6 is at less than the maximum tariff rate, Releasing Customer shall not rollover, extend, or in any other way continue a capacity release under this section without first complying with the notification and bidding procedure set forth in this Section 4. Releasing Customer shall not re-release capacity to any Prearranged Customer under this section at less than the maximum tariff

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and rounding up or down to Pipeline's specified decimal place.  
Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by number of month in rate period; dividing the result by number of days in rate period and taking the remainder out to five (5) decimals places and rounding up or down to the Pipeline's specified decimal place.

4.8 Prearranged Releases

- (a) A release of capacity by a Releasing Customer to a Prearranged Customer for any period of thirty-one (31) days or less shall be considered a non biddable release subject to the timeline contained in Section 4.2 herein. When a release of capacity under this Paragraph 4.8 is at less than the maximum tariff rate, Releasing Customer shall not rollover, extend, or in any other way continue a capacity release under this section without first complying with the notification and bidding procedure set forth in Section 4.3. Releasing Customer shall not re-release capacity to any Prearranged Customer under this section at less than the maximum tariff

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rate until twenty-eight (28) days after the first release period has ended. A Releasing Customer shall be deemed the agent of Prearranged Customer under this Paragraph 4.7 for all purposes, including, without limitation, nominations, scheduling, allocation, and invoicing by Pipeline and payment of invoices.

- (b) In the event Customer's Notice designates a Prearranged Customer who wishes to obtain the released capacity for a term of one (1) year or more under the terms and conditions contained in the Customer's Notice and agrees to pay the maximum rates for the released capacity or, in the case of a first time release with a contract length of 31 days or less, such release may be implemented without being subject to the notification and bidding procedure set forth in this Section 4; provided, however, that releases under this Paragraph 4.7(b) shall be posted on Pipeline's EBB no later than 9:00 a.m. on the day moninations are due under such released capacity.
- 4.9 Agents or Customers will be permitted to aggregate capacity which firm Customers wish to release and to release such aggregated capacity through the capacity release mechanism set forth in this Section 4.
- 4.10 Pipeline, if requested by a Releasing Customer, may actively market any released capacity under a separate agreement specifying the terms and conditions of actions to be taken by Pipeline to actively market any capacity which is released by a Releasing Customer. Pipeline shall be entitled to collect the marketing fee set forth in such separate agreement if it markets released capacity beyond posting the information on the EBB system and such efforts by Pipeline lead to or result in the execution of a Service Agreement by a Potential Customer located by Pipeline.
- 4.11 Responsibilities of Parties Executing Service Agreements
  - (a) Any Service Agreement entered into between Pipeline and a Potential Customer under this Section 4 shall be for a maximum period which shall equal the term for the

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rate until twenty-eight (28) days after the first release period has ended. A Releasing Customer shall be deemed the agent of Prearranged Customer under this Paragraph 4.8 for all purposes, including, without limitation, nominations, scheduling, allocation, and invoicing by Pipeline and payment of invoices.

- (b) In the event Customer's Notice designates a Prearranged Customer who wishes to obtain the released capacity for a term of one (1) year or more under the terms and conditions contained in the Customer's Notice and agrees to pay the maximum rates for the released capacity or, in the case of a first time release with a contract length of 31 days or less, such release may be implemented without being subject to the notification and bidding procedure set forth in this Section 4; provided, however, that releases under this Paragraph 4.8(b) shall be posted on Pipeline's EBB no later than 9:00 a.m. on the day nominations are due under such released capacity.

4.9 Agents or Customers will be permitted to aggregate capacity which firm Customers wish to release and to release such aggregated capacity through the capacity release mechanism set forth in this Section 4.

4.10 Pipeline, if requested by a Releasing Customer, may actively market any released capacity under a separate agreement specifying the terms and conditions of actions to be taken by Pipeline to actively market any capacity which is released by a Releasing Customer. Pipeline shall be entitled to collect the marketing fee set forth in such separate agreement if it markets released capacity beyond posting the information on the EBB system and such efforts by Pipeline lead to or result in the execution of a Service Agreement by a Potential Customer located by Pipeline.

4.11 Responsibilities of Parties Executing Service Agreements

- (a) Any Service Agreement entered into between Pipeline and a Potential Customer under this Section 4 shall be for a maximum period which shall equal the term for the

released capacity as set forth in the Customer's Notice.

- (b) The Prearranged Customer or Potential Customer that executes a Service Agreement with Pipeline shall be liable to Pipeline for all charges incurred by such Prearranged or Potential Customer, including those reservation charges, surcharges and any other charges which recover fixed costs that such Prearranged or Potential Customer agrees to pay. Such Prearranged or Potential Customer shall also pay to Pipeline all other rates, fees and charges, such as usage charges, surcharges, overruns, imbalances, penalties, or other volumetric charges.
- (c) A Potential or Prearranged Customer must satisfy all provisions of this FERC Gas Tariff governing Customer eligibility, including, but not limited to, Pipeline's credit requirements as set forth in Section 26 of Pipeline's General Terms and Conditions, before it may contract with Pipeline for the released capacity. Once a Prearranged or Potential Customer enters into a Service Agreement with Pipeline, such Customer will be subject to Pipeline's operational provisions as stated in this FERC Gas Tariff.

- 4.12 Prior to submitting a bid pursuant to this Section 4, Potential or Prearranged Customer must satisfy Pipeline's credit requirements by submitting credit information as set forth in Section 26 of the General Terms and Conditions. A Potential or Prearranged Customer may satisfy Pipeline's credit requirements by pre-qualifying to submit bids for released capacity or act as a Prearranged Customer. A satisfactory credit appraisal for pre-qualification purposes shall be effective for a period no longer than six (6) months, unless Pipeline otherwise agrees, and such appraisal may specify a credit or quantity limitation. In the event a Potential or Prearranged Customer has not pre-qualified to submit a bid, such Potential or Prearranged Customer may nevertheless submit a bid for the released capacity by including in its bid a payment equal to the reservation charge

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that would be applicable for the period of the release. If such Potential or Prearranged Customer shall be determined to have submitted the "best offer," the payment shall be credited to the Potential or Prearranged Customer's account. If the Potential or Prearranged Customer does not submit the "best offer," the reservation charge payment shall be returned to the Potential or Prearranged Customer.

- 4.13 Capacity that is temporarily released by the original Releasing Customer pursuant to this Section 4 may be re-released by subsequent Releasing Customers on the same terms and basis as the primary release (except as prohibited by regulations).
- 4.14 The Service Agreement of the Releasing Customer shall remain in full force and effect, with a portion of the proceeds attributable to any release and assignment credited to the Releasing Customer's invoice as provided in Paragraph 4.13. The Releasing Customer shall remain liable to Pipeline under the terms of its Service Agreement with Pipeline as a result of such release and assignment of the rights and obligations under the Service Agreement for all reservation charges, surcharges, and any other charges which recover fixed costs to the extent that a Potential or Prearranged Customer does not pay Pipeline for the full amount of such charges or for non-payment of such charges by a Potential or Prearranged Customer.
- 4.15 Pipeline shall credit to the invoice of the Releasing Customer reservation charge revenues, surcharges, and any other charges which recover fixed costs, if any, actually received by Pipeline that are attributable to capacity rights released by the Releasing Customer.
- 4.16 Pipeline shall post on the EBB system Pipeline's available uncommitted firm and/or interruptible capacity, and the terms and conditions applicable to contracting for such capacity. Potential Customers may then elect to contract for Pipeline's uncommitted firm or interruptible capacity, or capacity released by Releasing Customers.

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5. OPERATING CONDITIONS

- 5.1 Pipeline shall, on a non-discriminatory basis, have the right at all times to operate all and/or any part of Pipeline's system in a manner as deemed necessary by Pipeline in its reasonable discretion. In situations where Pipeline in its reasonable discretion determines that system integrity is imminently threatened, Pipeline is authorized to take all actions necessary to operate its system, including but not limited to those set forth in this Section 5, without prior notice to Customer. Pipeline shall have no liability for any actions taken to maintain system integrity.
- 5.2 Pipeline shall be authorized to restrict, on a non-discriminatory basis, receipts and/or deliveries of gas in order to maintain pipeline operations to provide reliable and efficient transportation service, to maintain Pipeline's system in balance, and to alleviate conditions which, in Pipeline's reasonable judgment, threaten the operational integrity of Pipeline's system. Pipeline shall notify Customer and provide a forty-eight (48) hour period in which the Customer, Customer's Agent, or the Point Operator must comply with Pipeline's notice to restrict receipts and/or deliveries. Failure to comply with a notice issued by Pipeline restricting receipts or deliveries within such forty-eight (48) hour period by Customer, Customer's Agent, or a Point Operator acting for Customer shall subject Customer to a penalty as set forth in Paragraph 17.7 hereof.
- 5.3 Service may be interrupted or curtailed by Pipeline or at the direction of Pipeline due to scheduled routine repair and maintenance to be reasonably determined by Pipeline. Pipeline shall give Customer reasonable notice of such interruption or curtailment and shall endeavor to coordinate such interruption or curtailment with Customer. Pipeline shall not be required to make alternate arrangements for receipt or delivery of gas in such situations.
- 5.4 Pipeline shall not be required to perform service under any Rate Schedules which are a part of Pipeline's FERC Gas Tariff

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5. OPERATING CONDITIONS

- 5.1 Pipeline shall, on a non-discriminatory basis, have the right at all times to operate all and/or any part of Pipeline's system in a manner as deemed necessary by Pipeline in its reasonable discretion. In situations where Pipeline in its reasonable discretion determines that system integrity is imminently threatened, Pipeline is authorized to take all actions necessary to operate its system, including but not limited to those set forth in this Section 5, without prior notice to Customer. Pipeline shall have no liability for any actions taken to maintain system integrity.
- 5.2 Pipeline shall be authorized to restrict, on a non-discriminatory basis, receipts and/or deliveries of gas in order to maintain pipeline operations to provide reliable and efficient transportation service, to maintain Pipeline's system in balance, and to alleviate conditions which, in Pipeline's reasonable judgment, threaten the operational integrity of Pipeline's system. Pipeline shall notify Customer and provide a forty-eight (48) hour period in which the Customer, Customer's Agent, or the Point Operator must comply with Pipeline's notice to restrict receipts and/or deliveries. Failure to comply with a notice issued by Pipeline restricting receipts or deliveries within such forty-eight (48) hour period by Customer, Customer's Agent, or a Point Operator acting for Customer shall subject Customer to a penalty as set forth in Paragraph 17.7 hereof.
- 5.3 Service may be interrupted or curtailed by Pipeline or at the direction of Pipeline due to scheduled routine repair and maintenance to be reasonably determined by Pipeline. Pipeline shall give Customer notice of such interruption or curtailment pursuant to Paragraph 5.9 hereof and shall endeavor to coordinate such interruption or curtailment with Customer. Pipeline shall not be required to make alternate arrangements for receipt or delivery of gas in such situations.
- 5.4 Pipeline shall not be required to perform service under any Rate Schedules which are a part of Pipeline's FERC Gas Tariff

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unless all facilities necessary to provide the requested service exist and are in good operating condition.

- 5.5 Pipeline shall be authorized to use all system resources, to maintain operational control of its system in the event Pipeline in its reasonable discretion determines that system integrity is imminently threatened, even if the utilization of such resources results in the diversion of gas. The Customer whose actions resulted in the need to divert gas shall indemnify and hold Pipeline harmless from and against any and all losses, damages, or expenses of every kind and character which Pipeline or Customers may suffer, sustain, or be liable for, and shall hold Pipeline harmless from and against any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of the gas diversion. Pipeline shall have no responsibility to purchase gas in situations resulting in the diversion of gas for operational needs; provided, however, a Customer whose gas was diverted pursuant to this Paragraph 5.5 shall be compensated by Pipeline at the lesser of the index price as set forth in Paragraph 14.8(b) of the General Terms and Conditions utilized for cash-out of imbalances during the month Pipeline diverted gas or the market price for the week Pipeline diverted gas as such market price is published each week by the Oil Daily Company in the publication Natural Gas Week. In the event a gas diversion results from the actions of a Customer, such Customer shall be responsible for compensating Pipeline to the extent Pipeline has compensated the Customer whose gas was diverted. Such Customer whose actions resulted in the need to divert gas shall also be subject to a penalty as set forth in Paragraph 17.6 of Pipeline's General Terms and Conditions.

5.6 Responsibilities of Customer

- (a) Except as otherwise provided herein, Customer shall be responsible for ensuring that Customer's deliveries to Point(s) of Receipt on Pipeline's system match Customer's receipts from Point(s) of Delivery on Pipeline's system throughout each day. In the event,

however, that on a particular day Customer's deliveries and receipts do not match, Customer shall be notified and required to ensure that quantities are nominated, confirmed, and scheduled in uniform quantities so as to bring deliveries and receipts into conformity; provided, however, Pipeline shall have the sole right, to be reasonably exercised, to determine whether capacity is available to bring receipts and deliveries into conformity.

- (b) Customer shall be responsible each day to cause gas to be delivered to Pipeline as scheduled at Pipeline's Point(s) of Receipt and/or cause gas to be taken from Pipeline at Pipeline's Point(s) of Delivery in accordance with scheduled quantities. In the event that Customer fails to comply with this Paragraph 5.6, Pipeline shall notify Customer and provide a forty-eight (48) hour period in which Customer shall be required prospectively to schedule the aggregate of the difference between the scheduled and allocated quantities at each point of interconnect. Customer shall be subject to penalties pursuant to Paragraph 17.4 of Pipeline's General Terms and Conditions if Customer does not comply with this Paragraph 5.6(b) within forty-eight (48) hours of receiving notice from Pipeline.
- (c) Customer shall further deliver and receive all service provided pursuant to such Rate Schedules which are a part of Pipeline's FERC Gas Tariff in uniform rates of flow which shall not exceed one-fifteenth (1/15th) of Customer's MDQ in any one (1) hour period.

5.7 Gas shall be delivered at the pressures specified in the Service Agreement between Pipeline and Customer; provided, however, that Pipeline shall not deliver gas at a pressure lower than fifty (50) pounds per square inch gauge, unless a lower pressure is agreed to by Pipeline and Customer. Customer shall receive and take the gas at such delivery pressure and thereafter regulate and control the same as may be required for its own use.

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however, that during a particular month Customer's deliveries and receipts do not match, Customer shall be notified as provided for in Paragraph 14 hereof; provided, however, Pipeline shall have the sole right, to be reasonably exercised, to determine whether capacity is available to bring receipts and deliveries into conformity.

- (b) Customer shall further deliver and receive all service provided pursuant to such Rate Schedules which are a part of Pipeline's FERC Gas Tariff in uniform rates of flow which shall not exceed one-fifteenth (1/15th) of Customer's MDQ in any one (1) hour period.

- 5.7 Gas shall be delivered at the pressures specified in the Service Agreement between Pipeline and Customer; provided, however, that Pipeline shall not deliver gas at a pressure lower than fifty (50) pounds per square inch gauge, unless a lower pressure is agreed to by Pipeline and Customer. Customer shall receive and take the gas at such delivery pressure and thereafter regulate and control the same as may be required for its own use.

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- 5.8 The Point of Delivery shall be at the outlet side of Pipeline's measuring facilities at the point of connection between the facilities of Pipeline and those of Customer as set forth in the applicable Service Agreement. Should any of Pipeline's lines, meters, and like equipment which is necessary for Pipeline to install at or near the point of delivery be on property of Customer, Customer grants to Pipeline the right of free use of such premises and ingress and egress to such facilities at all times for the purpose of installation, operation, repair, or removal. Such facilities of Pipeline shall be and remain the property of Pipeline and may be removed upon the termination of deliveries to Customer.
- 5.9 Operational Flow Orders (OFO) - Pipeline may issue an (OFO) to Customers under any firm or interruptible Rate Schedule as it deems necessary to protect the integrity of its system or any portion thereof. Pipeline's actions with respect to OFO are to be reasonable, objective, and nondiscriminatory. If any Customer does not follow the operational orders issued hereunder, such Customer, in addition to all other remedies, shall be liable for any resulting damages, costs, or expenses and will indemnify Pipeline from any such damages, costs and expenses to Pipeline and/ or any other party.

OFO's will be issued by 2:00 p.m. CCT. Nomination changes must be made by 8:00 a.m. CCT on the gas day following issuance of the OFO. The OFO will be effective one gas day later (second gas day after issuance of the OFO), unless otherwise provided in the order. Pipeline may make OFO's effective with a shorter notice if necessary to protect the integrity of its system.

Notice of an OFO shall be provided to affected Customers by either internet E-mail, direct notification to the Customer's internet URL address or facsimile transmission (to be chosen by the affected Customer), pursuant to Section 284.12(c)(3)(vi) of the Commission's Regulations. In addition, such notice shall also be posted on Pipeline's EBB and/or IWWW. Notice of such OFO shall specify nature of the problem sought to be address, the anticipated duration of the required compliance, and the parameters of such compliance. Pipeline will issue general, system-wide OFO's only after it determines that it is not possible for it to issue an OFO on a specific portion of the system.

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- 5.8 The Point of Delivery shall be at the outlet side of Pipeline's measuring facilities at the point of connection between the facilities of Pipeline and those of Customer as set forth in the applicable Service Agreement. Should any of Pipeline's lines, meters, and like equipment which is necessary for Pipeline to install at or near the point of delivery be on property of Customer, Customer grants to Pipeline the right of free use of such premises and ingress and egress to such facilities at all times for the purpose of installation, operation, repair, or removal. Such facilities of Pipeline shall be and remain the property of Pipeline and may be removed upon the termination of deliveries to Customer.
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OFO's will be issued by 2:00 p.m. CCT. Nomination changes must be made by 8:00 a.m. CCT on the gas day following issuance of the OFO. The OFO will be effective one gas day later (second gas day after issuance of the OFO), unless otherwise provided in the order. Pipeline may make OFO's effective with a shorter notice if necessary to protect the integrity of its system.

Notice of an OFO shall be provided to affected Customers by either internet E-mail, direct notification to the Customer's internet URL address or facsimile transmission (to be chosen by the affected Customer), pursuant to Section 284.12(c)(3)(vi) of the Commission's Regulations. In addition, such notice shall also be posted on Pipeline's EBB and/or IWWW. Notice of such OFO shall specify nature of the problem sought to be address, the anticipated duration of the required compliance, and the parameters of such compliance. Pipeline will issue general, system-wide OFO's only after it determines that it is not possible for it to issue an OFO on a specific portion of the system.

In the event an OFO is issued, the Pipeline shall provide on a quarterly basis to the affected Customers via the Pipeline's EBB a report detailing the underlying causes warranting the issuance for the OFO and explaining why the actions required by the OFO were necessary to alleviate the identified problems.

twenty-four (24) hour notice, Pipeline shall notify Customer, either through posting of such notice on Pipeline's EBB system and Pipeline's Internet WEB page, or through direct communication via telephone, fax or through other method as agreed to by Pipeline and Customer, of the actions Customer is required to take pursuant to the Operational Flow Order. Required actions include, but are not limited to:

- (1) directing a Customer or its Agent to increase deliveries into Pipeline's system at one or more Point(s) of Receipt;
- (2) directing a Customer or its Agent to reduce deliveries into Pipeline's system at one or more Point(s) of Receipt;
- (3) directing a Customer or its Agent to decrease the amount of gas withdrawn from Pipeline at one or more Points of Delivery.

The notice shall include the time and date the Operational Flow Order will become effective, and the period of time Pipeline expects the Operational Flow Order to remain in effect.

- (c) Compliance with an Operational Flow Order issued pursuant to this section shall relieve Customer of any nomination, scheduling, or other penalty, to the extent such penalty would result from compliance with the Operational Flow Order.
- (d) Customer's failure to comply with an Operational Flow Order issued pursuant to this section shall subject Customer to a penalty as set forth in Paragraph 17.2 hereof. Customer shall also assume all responsibility for any and all injuries and losses due to Customer's failure to comply with an Operational Flow Order. Customer's failure to comply with an Operational Flow Order issued pursuant to this Paragraph 5.9 shall authorize Pipeline to take unilateral action, including, but not limited to, restricting deliveries of gas to such Customer, as Pipeline in its reasonable judgment deems

- (a) Types of Operational Flow Orders
  - (1) Emergency System Maintenance - Pipeline may direct Customers under any firm or interruptible Rate Schedule to increase or decrease receipts of flowing gas on a particular portion of the system in order to accommodate required unscheduled maintenance.
  - (2) Extreme Conditions - For purpose of this Section 5.9(a)(2), an extreme condition exists on any portion of Pipeline's system when throughput approaches capacity, when weather conditions so require, or when operating pressures on the affected portion are significantly less than or greater than normal system operating pressures despite Pipeline's effort to maintain normal pressures, and further decline or increase in operating pressures would impair Pipeline's ability to receive or deliver quantities of gas in accordance with its service obligations. Pipeline may declare an extreme condition situation for the affected portion of the system by notifying the meter operator(s) and Customer(s) through its EBB and/or IWWW and by telephone and/or facsimile communication. Once declared, Pipeline will post notification of the extreme condition on its EBB and/or IWWW at the commencement of each Day until Pipeline notifies the meter operator(s) and the Customer(s) through the EBB and/or IWWW and telephone and/or facsimile communication that the extreme condition has ended. When an extreme condition is declared to become effective at any time other than the commencement of any Day, Customer(s) will use their best efforts to bring deliveries to nominated levels as soon as possible but in no event later than two (2) hours, after which the Daily Scheduling Charge provided for in Section 5.9(b) shall apply to variances in excess of the 3% tolerance level.
- (b) Daily Scheduling Charge - When Pipeline declares a System Maintenance OFO as to any portion of its system, or if necessary the entire system, the daily scheduling tolerance level shall be 5% of the authorized delivery levels. However, when Pipeline declares an Extreme Condition OFO as to any portion of its system, the daily scheduling tolerance level shall be 3% of the authorized delivery levels. The Charge for variances beyond the tolerances levels as stated in the OFO shall be:
  - (i) the greater of \$5 or two times the Cash Out price as defined in Paragraph 14.7(c) for each Dth which exceeds authorized delivery levels by more

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necessary.

- (e) Customer shall indemnify and hold Pipeline harmless from and against any and all losses, damages, or expenses of every kind and character which Pipeline or Customer may suffer, sustain, or be liable for and hold Pipeline harmless from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result to Pipeline's issuance or non-issuance of an Operational Flow Order pursuant to this Paragraph 5.9.

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- than 5% but not more than 10% (or more than 3% but not more than 10% in the case of an extreme condition);
- (ii) the greater of \$10 or three times the Cash Out price as defined in Paragraph 14.7(c) for each Dth which exceeds authorized delivery levels by more than 10% but not more than 15%;
- (iii) the greater of \$15 or four times the Cash Out price as defined in Paragraph 14.7(c) for each Dth which exceeds authorized delivery levels by more than 15%.

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6. CURTAILMENT

6.1 Pipeline shall have the right to curtail, interrupt, or discontinue any service in whole or in part on all or any portion of its system from time to time and at any time: (a) for reasons of force majeure or when necessary to alleviate conditions which in Pipeline's reasonable judgment threaten the operational integrity of Pipeline's system or (b) to perform routine maintenance, repairs, and regulatory compliance activity, provided that Pipeline shall use due diligence to schedule such activity so as to minimize disruptions of service and shall endeavor to provide advance notice of such interruptions to Customer.

6.2 Prior to Pipeline implementing the curtailment procedures set forth in this Section 6, Pipeline shall be authorized to issue an Operational Flow Order pursuant to Paragraph 5.9 in order to maintain the operational integrity of the system. In the event the issuance of an Operational Flow Order fails to alleviate the conditions which threaten the integrity of Pipeline's system, Pipeline shall be authorized to curtail service to Customers pursuant to this Section 6.

6.3 Curtailment Procedures

(a) Curtailment of Transportation Capacity

In the event of a capacity constraint on all or any portion of Pipeline's system, deliveries of gas shall be curtailed in the following order:

- (1) Scheduled service under Pipeline's interruptible rate schedules shall be curtailed first commencing with service being provided at the minimum rate of Pipeline then in effect; next in order shall be interruptible service being provided at a rate that is greater than the minimum rate of Pipeline then in effect,

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6.2 Prior to Pipeline implementing the curtailment procedures set forth in this Section 6, Pipeline shall be authorized to issue an Operational Flow Order pursuant to Paragraph 5.9 in order to maintain the operational integrity of the system. In the event the issuance of an Operational Flow Order fails to alleviate the conditions which threaten the integrity of Pipeline's system, Pipeline shall be authorized to curtail service to Customers pursuant to this Section 6.

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beginning with the rate most proximate to the minimum rate up to the maximum rate of Pipeline then in effect. Where Pipeline is required to curtail scheduled interruptible service and Customers are paying the same rate for such service, Pipeline shall prorate the available capacity among said Customers; provided, however, that such capacity shall only be available for pro rationing to the extent that capacity has not already been made available to Customers paying a higher rate for such interruptible service.

- (2) Following curtailment of interruptible service, scheduled service under Pipeline's FTS Rate Schedule using a Secondary Point which is not within the Customer's contractual capacity path, shall be curtailed pro rata based on all Customers using similar services.
  - (3) Following curtailment of interruptible service and FTS service using a Secondary Point(s) which is not within their contractual capacity path, scheduled service under Pipeline's FTS Rate Schedule using a Secondary Point which is within the Customer's contractual capacity path, shall be curtailed pro rata based on all Customers using similar services.
  - (2) Following curtailment of interruptible service and FTS service using a Secondary Point(s), scheduled service under Pipeline's firm transportation rate schedules, including Rate Schedule NNS, shall be curtailed on a pro rata basis, based upon Pipeline's maximum firm daily contractual obligations to provide firm service on that day.
- (b) Upon determination that curtailment is necessary, Pipeline may at its sole discretion, rely upon the ranking provided by Customer to Pipeline of individual transactions when such Customer is involved in multiple transactions at any single point of receipt or delivery. Any such reliance, however, shall be invoked only in such conditions of this Section 6, Curtailment Procedures, exist.

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beginning with the rate most proximate to the minimum rate up to the maximum rate of Pipeline then in effect. Where Pipeline is required to curtail scheduled interruptible service and Customers are paying the same rate for such service, Pipeline shall prorate the available capacity among said Customers; provided, however, that such capacity shall only be available for pro rationing to the extent that capacity has not already been made available to Customers paying a higher rate for such interruptible service.

- (2) Following curtailment of interruptible service, scheduled service under Pipeline's FTS Rate Schedule using a Secondary Point which is not within the Customer's contractual capacity path, shall be curtailed pro rata based on all Customers using similar services.
  - (3) Following curtailment of interruptible service and FTS service using a Secondary Point(s) which is not within their contractual capacity path, scheduled service under Pipeline's FTS Rate Schedule using a Secondary Point which is within the Customer's contractual capacity path, shall be curtailed pro rata based on all Customers using similar services.
  - (4) Following curtailment of interruptible service and FTS service using a Secondary Point(s), scheduled service under Pipeline's firm transportation rate schedules, including Rate Schedule NNS, shall be curtailed on a pro rata basis, based upon Pipeline's maximum firm daily contractual obligations to provide firm service on that day.
- (b) Upon determination that curtailment is necessary, Pipeline may at its sole discretion, rely upon the ranking provided by Customer to Pipeline of individual transactions when such Customer is involved in multiple transactions at any single point of receipt or delivery. Any such reliance, however, shall be invoked only in such conditions of this Section 6, Curtailment Procedures, exist.

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- 6.4 (a) Should a Customer desire waiver of the capacity curtailment provisions of Paragraph 6.3(a) during emergency situations in order to prevent injury to life or property or to provide minimum plant protection, Pipeline shall retain the right but not the obligation or duty to provide for an exception in all or part to its curtailment provisions set forth herein.
- (b) The Customer seeking waiver shall inform Pipeline and Pipeline shall inform all affected Customers as to the extent of the situation or emergency giving rise to the necessity for an exception to the curtailment provisions of this Section 6 and the measures that have been taken to reduce the extent of the situation or emergency.
- (c) A Customer whose gas was diverted under this Paragraph 6.4 shall have the option to be compensated for such gas by the Customer whose request for emergency relief resulted in a loss of transportation capacity or the need for Pipeline to divert gas either through the delivery of quantities of gas equal to the quantities of

gas diverted or through a cash payment in an amount equal to the transportation rate which would have been applicable to the Customer whose gas was diverted; provided, however, such compensation for gas diversions under this Paragraph 6.4(c) shall not prohibit such Customer whose gas was diverted from seeking to recover damages, losses, or expenses from the Customer requesting emergency relief in a claim, suit, action or proceeding initiated as a result of any gas diversion. To the extent a Customer whose gas was diverted desires to be compensated by a cash payment for diversions, such Customer must enter into agreements with other Customers for such cash payment compensation. Pipeline shall not be responsible for compensating Customer for gas diversions which occur pursuant to Paragraph 6.4, except in situations where Pipeline was grossly negligent or acted in an unduly discriminatory manner.

- (d) Customers whose requests for emergency relief resulted in a diversion shall indemnify and hold Pipeline harmless from and against any and all losses, damages, expenses of every kind and character which Pipeline or Customers may suffer, sustain, or be liable for and shall hold Pipeline harmless from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of any gas diversion.

- 6.5 The Customer seeking waiver shall indemnify and hold Pipeline harmless from and against any and all losses, damages, or expenses of every kind and character which Pipeline or Customer may suffer, sustain, or be liable for and shall hold Pipeline harmless from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of any supply or capacity curtailment invoked by Pipeline, and shall be responsible for replacing another Customer's gas or compensating such Customer pursuant to Paragraph 6.4(c) of Pipeline's General Terms and Conditions.

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6.6 Any Customer that fails to comply with Pipeline's curtailment plan shall be liable for all damages resulting from such failure to comply.

6.7 Customer's failure to comply with Pipeline's curtailment plan shall subject Customer to a penalty as set forth in Paragraph 17.3 hereof. Customer's failure to comply with Pipeline's curtailment plan shall authorize Pipeline to take unilateral action, including, but not limited to, restricting deliveries of gas to such Customer, as Pipeline in its reasonable judgment deems necessary.

7. PREGRANTED ABANDONMENT

7.1 This Section 7 applies to Service Agreements executed pursuant to open-access Rate Schedules governed by Commission regulations that pregrant abandonment authorization under section 7(b) of the Natural Gas Act (NGA).

7.2 Customer receiving service under a firm Service Agreement having a primary term of less than one year (short-term Service Agreement), or under an interruptible Service Agreement, is not entitled to retain a right to service following the termination of such Service Agreement. Upon termination of a short-term Service Agreement or an interruptible Service Agreement, Pipeline shall be deemed to have all necessary abandonment authorization under the NGA as of such termination date.

7.3 Long-Term Firm Transportation Agreements

(a) A firm Service Agreement for transportation service having a primary term of one year or more (long-term firm Service Agreement) may be continued by Pipeline and Customer by extending the term of the Service Agreement through inclusion of a rollover or evergreen provision so that Customer and Pipeline, upon mutual agreement, may renew or extend the Service Agreement at the maximum rate in effect from time to time for such service or at such rate as may be agreed to by Pipeline and Customer.

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(b) In the event a long-term firm Service Agreement does not contain a rollover or evergreen provision, or alternatively, is terminated pursuant to a rollover or evergreen provision, a Customer may retain its capacity and continue to receive service following the termination of Customer's long-term firm Service Agreement, if such Customer satisfies the bid matching requirements set forth in Paragraph 7.4 below. In the event Customer does not satisfy the bid matching requirements of this Section 7, Customer shall no longer have, as of the termination date set forth in the Service Agreement, rights under the long-term firm Service Agreement for which Pipeline has served a notice of termination, as provided in Paragraph 7.4 below, and Pipeline shall be deemed to have all necessary abandonment authorization under the NGA with respect to such service.

7.4 For purposes of matching a bid for capacity that becomes available at the termination of a Service Agreement, as provided in Paragraph 7.3(b), the following procedures shall be applicable:

(a) Within three (3) days of the issuance by Pipeline to Customer of a notice of termination of Customer's long-term firm Service Agreement, Pipeline shall post on its EBB system the following information:

- (1) Point(s) of Receipt and Point(s) of Delivery, including the MDQ at that point;
- (2) the specific quantity available under the terminated contract;
- (3) the date of expiration; and
- (4) the current maximum rate applicable to the terminated service.

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- (b) Following the posting of information pursuant to Paragraph 7.4(a), Potential Customers may submit bids for the capacity that shall become available pursuant to Paragraph 7.3. A Potential Customer may submit a bid on Pipeline's EBB system; provided, however, that in order to be considered a bona fide bid, such Potential Customer must submit a bid in writing and such bid must be executed by a party authorized to sign contractual agreements on behalf of Potential Customer within three days of submitting such bid on the EBB system. In order to be considered a bona fide bid, Potential Customer must satisfy all Pipeline tariff provisions governing Customer eligibility, including Pipeline's credit requirements as set forth in Section 26 of Pipeline's General Terms and Conditions, and must submit to Pipeline a prepayment equal to one (1) month's reservation charge based on Potential Customer's bid. Such prepayment shall be refunded within thirty (30) days to all Potential Customers that do not submit the "Best Bid" as set forth in Paragraph 7.4(c). Pipeline may reject all bids below the maximum rate for the applicable service.
- (c) Bids from Potential Customers who desire, in whole or in part, the capacity to be made available upon the termination of the long-term firm Service Agreement must be received by Pipeline no later than thirty (30) days before the effective date of the termination of the Service Agreement noticed pursuant to Paragraph 7.3(b) hereof. At the close of the bidding period, Pipeline shall select from among

the bona fide bids the "Best Bid," and shall forward the relevant terms of the "Best Bid" to Customer whose long-term firm Service Agreement is being terminated by Pipeline. If Customer elects to match the "Best Bid," the Customer shall be entitled to continue to receive service under a long-term firm Service Agreement which reflects the matching of the relevant terms of the "Best Bid." If Customer does not elect to match the "Best Bid," Customer's existing long-term firm Service Agreement shall be terminated and Pipeline shall be deemed to have all necessary abandonment authorization under the NGA. A "Best Bid" shall be the bid which generates the highest net present value for the time period of the release. If no Potential Customer offers the maximum rate for the full term of the bid, the "Best Bid" shall be that bid which Pipeline determines, in its reasonable discretion, is likely to maximize Pipeline's revenue earning potential. If more than one Potential Customer submits the "Best Bid," the available capacity will be awarded to the Potential Customer who submitted the "Best Bid" first in time.

- (d) Upon notification from Pipeline of the relevant terms of the "Best Bid," Customer shall have three (3) business days to notify Pipeline whether Customer is willing to match the "Best Bid." Failure to notify Pipeline by written notice or through the EBB system within three (3) business days after notification will result in a waiver of Customer's right to match the "Best Bid." In order to match the "Best Bid," Customer must agree to a rate equal to the

rate set forth in the "Best Bid" and agree to execute a Service Agreement for a term equal to the term set forth in the "Best Bid"; provided, however, Customer shall be required only to match a term of up to five (5) years.

8. RECEIPT AND DELIVERY POINTS

8.1 Receipt Points

- (a) When Customer receiving firm service pursuant to the Rate Schedules which are part of this FERC Gas Tariff requests such firm service, such Customer is required to designate, among other information, the Point(s) of Receipt into Pipeline's system which the Customer ordinarily anticipates utilizing (defined as Primary Point(s) of Receipt) and the MDQ of gas to be tendered each day to Pipeline at each Primary Point of Receipt. The selection of Primary Point(s) of Receipt under this Section 8 shall not result in the aggregate of all Point(s) of Receipt exceeding Customer's total Service Agreement MDQ. Customer shall be permitted to add or delete Primary Point(s) of Receipt upon written request, provided capacity is available at such point(s).
  
- (b) In addition to the Primary Point(s) of Receipt available to Customer pursuant to Paragraph 8.1(a), Customer receiving service pursuant to Rate Schedules FTS and NNS shall be permitted to designate Point(s) of Receipt secondary to those selected pursuant to Paragraph 8.1(a) (defined as Secondary Point(s) of Receipt). In designating such Secondary Point(s) of Receipt, Customer shall also designate the maximum MDQ of gas which Customer may tender at such point(s). When such Secondary Point(s) of Receipt are utilized and quantities are tendered to Pipeline at Secondary Point(s) of Receipt such quantities tendered at such Secondary Point(s) of Receipt, together with those quantities tendered pursuant to Paragraph 8.1(a), shall

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rate set forth in the "Best Bid" and agree to execute a Service Agreement for a term equal to the term set forth in the "Best Bid"; provided, however, Customer shall be required only to match a term of up to five (5) years.

8. RECEIPT AND DELIVERY POINTS

8.1 Receipt Points

- (a) When Customer receiving firm service pursuant to the Rate Schedules which are part of this FERC Gas Tariff, including any Replacement Customer, requests such firm service, such Customer is required to designate, among other information, the Point(s) of Receipt into Pipeline's system which the Customer ordinarily anticipates utilizing (defined as Primary Point(s) of Receipt) and the MDQ of gas to be tendered each day to Pipeline at each Primary Point of Receipt. The selection of Primary Point(s) of Receipt under this Section 8 shall not result in the aggregate of all Point(s) of Receipt exceeding Customer's total Service Agreement MDQ. Customer, including any Replacement Customer, shall be permitted to add or delete Primary Point(s) of Receipt upon written request, provided capacity is available at such point(s).
- (b) In addition to the Primary Point(s) of Receipt available to Customer, including any Replacement Customer, pursuant to Paragraph 8.1(a), Customer receiving service pursuant to Rate Schedules FTS and NNS shall be permitted to designate Point(s) of Receipt secondary to those selected pursuant to Paragraph 8.1(a) (defined as Secondary Point(s) of Receipt). In designating such Secondary Point(s) of Receipt, Customer shall also designate the maximum MDQ of gas which Customer may tender at such point(s). When such Secondary Point(s) of Receipt are utilized and quantities are tendered to Pipeline at Secondary Point(s) of Receipt such quantities tendered at such Secondary Point(s) of Receipt, together with those quantities tendered pursuant to Paragraph 8.1(a), shall

not exceed Customer's aggregate MDQ as set forth in its Service Agreement with Pipeline. Customer shall be permitted to add or delete Secondary Point(s) of Receipt. Service at such Secondary Point(s) of Receipt shall be subject to the availability of capacity at such Secondary Point(s) of Receipt, the recall rights of those Customers who have designated such Point(s) of Receipt as Primary Point(s) of Receipt and a determination by Pipeline that utilization of Customer's Secondary Point(s) of Receipt:

- (1) shall not adversely affect service to other existing firm Customers either at that Point of Receipt or elsewhere on Pipeline's system; or
  - (2) shall not adversely affect Pipeline's ability to operate its system.
- (c) In the event Customer is tendering gas to Pipeline at Customer's Secondary Point(s) of Receipt, such Customer, on not less than twenty-four (24) hours notice, shall retain its right during a month to revert back to use of such Customer's Primary Point(s) of Receipt, subject to the limitations set forth in this Section 8 and in Section 15 of Pipeline's General Terms and Conditions. In such event, Customer utilizing such Point(s) of Receipt as Secondary Point(s) of Receipt shall be required to reduce the quantities of gas tendered at such Secondary Point(s) of Receipt as may be required to facilitate the Customer reverting back to such Point(s) of Receipt as Primary Point(s) of Receipt. Customer who is required to reduce the quantities of gas tendered at Secondary Point(s) of Receipt when a Customer has selected such Point(s) of Receipt as Primary Point(s) of Receipt and reverts back to such Primary Point(s) of Receipt during a month shall indemnify and hold Pipeline harmless from and against any and all losses, damages, or expenses of every kind and character which Pipeline or Customers may suffer, sustain, or be liable for and shall hold Pipeline harmless from and against any and

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not exceed Customer's aggregate MDQ as set forth in its Service Agreement with Pipeline. Customer shall be permitted to add or delete Secondary Point(s) of Receipt. Service at such Secondary Point(s) of Receipt shall be subject to the availability of capacity at such Secondary Point(s) of Receipt, the recall rights of those Customers who have designated such Point(s) of Receipt as Primary Point(s) of Receipt and a determination by Pipeline that utilization of Customer's Secondary Point(s) of Receipt:

- (1) shall not adversely affect service to other existing firm Customers either at that Point of Receipt or elsewhere on Pipeline's system; or
  - (2) shall not adversely affect Pipeline's ability to operate its system.
- (c) In the event Customer, including any Replacement Customer, is tendering gas to Pipeline at Customer's Secondary Point(s) of Receipt, such Customer, on not less than twenty-four (24) hours notice, shall retain its right during a month to revert back to use of such Customer's Primary Point(s) of Receipt, subject to the limitations set forth in this Section 8 and in Section 15 of Pipeline's General Terms and Conditions. In such event, Customer utilizing such Point(s) of Receipt as Secondary Point(s) of Receipt shall be required to reduce the quantities of gas tendered at such Secondary Point(s) of Receipt as may be required to facilitate the Customer reverting back to such Point(s) of Receipt as Primary Point(s) of Receipt. Customer who is required to reduce the quantities of gas tendered at Secondary Point(s) of Receipt when a Customer has selected such Point(s) of Receipt as Primary Point(s) of Receipt and reverts back to such Primary Point(s) of Receipt during a month shall indemnify and hold Pipeline harmless from and against any and all losses, damages, or expenses of every kind and character which Pipeline or Customers may suffer, sustain, or be liable for and shall hold Pipeline harmless from and against any and

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all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of a Customer reverting back to Primary Point(s) of Receipt during a month.

- (d) In the event capacity is constricted, Point(s) of Receipt utilized by a Customer for transportation service pursuant to Rate Schedules ITS or ITS-OSF is subject to interruption by a Customer receiving transportation service pursuant to Rate Schedules FTS, FTS-OSF or NNS who is seeking to utilize such point(s) as Primary or Secondary Point(s) of Receipt.

#### 8.2 Delivery Points

- (a) When Customer receiving firm service pursuant to the Rate Schedules which are part of this FERC Gas Tariff request such firm service, such Customer is required to designate, among other information, the Point(s) of Delivery out of Pipeline's system which the Customer ordinarily anticipates utilizing (defined as Primary Point(s) of Delivery) and the MDQ of gas to be tendered each day by Pipeline at each Primary Point of Delivery. The selection of Primary Point(s) of Delivery under this Section 8 shall not result in the aggregate of all Point(s) of Delivery exceeding Customer's total Service Agreement MDQ. Customer shall be permitted to add or delete Primary Point(s) of Delivery upon written request, provided capacity is available at such point(s).
- (b) In addition to the Primary Point(s) of Delivery available to Customer pursuant to Paragraph 8.2(a), Customer receiving service pursuant to Rate Schedule FTS shall be permitted to designate Point(s) of Delivery secondary to those selected pursuant to Paragraph 8.2(a) (defined as Secondary Point(s) of Delivery). In designating such Secondary Point(s) of Delivery, Customer shall also designate the maximum MDQ of gas which Customer may tender at such point(s). When such

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all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of a Customer reverting back to Primary Point(s) of Receipt during a month.

- (d) In the event capacity is constricted, Point(s) of Receipt utilized by a Customer for transportation service pursuant to Rate Schedules ITS or ITS-OSF is subject to interruption by a Customer, including any Replacement Customer, receiving transportation service pursuant to Rate Schedules FTS, FTS-OSF or NNS who is seeking to utilize such point(s) as Primary or Secondary Point(s) of Receipt.

## 8.2 Delivery Points

- (a) When Customer, including any Replacement Customer, receiving firm service pursuant to the Rate Schedules which are part of this FERC Gas Tariff request such firm service, such Customer is required to designate, among other information, the Point(s) of Delivery out of Pipeline's system which the Customer ordinarily anticipates utilizing (defined as Primary Point(s) of Delivery) and the MDQ of gas to be tendered each day by Pipeline at each Primary Point of Delivery. The selection of Primary Point(s) of Delivery under this Section 8 shall not result in the aggregate of all Point(s) of Delivery exceeding Customer's total Service Agreement MDQ. Customer, including any Replacement Customer, shall be permitted to add or delete Primary Point(s) of Delivery upon written request, provided capacity is available at such point(s).
- (b) In addition to the Primary Point(s) of Delivery available to Customer pursuant to Paragraph 8.2(a), Customer, including any Replacement Customer, receiving service pursuant to Rate Schedule FTS shall be permitted to designate Point(s) of Delivery secondary to those selected pursuant to Paragraph 8.2(a) (defined as Secondary Point(s) of Delivery). In designating such Secondary Point(s) of Delivery, Customer shall also designate the maximum MDQ of gas which Customer may tender at such point(s). When such

Secondary Point(s) of Delivery are utilized and quantities are tendered by Pipeline at Secondary Point(s) of Delivery, quantities tendered at such Secondary Point(s) of Delivery, together with those quantities tendered pursuant to Paragraph 8.2(a), shall not exceed Customer's aggregate MDQ as set forth in its Service Agreement with Pipeline. Customer shall be permitted to add or delete Secondary Point(s) of Delivery. Service at such Secondary Point(s) of Delivery shall also be subject to the availability of capacity at such Secondary Point(s) of Delivery the recall rights of those Customers who have designated such Point(s) of Delivery as Primary Point(s) of Delivery, and a determination by Pipeline that utilization of Customer's Secondary Point(s) of Delivery:

- (1) shall not adversely affect service to other existing firm Customers either at that Point of Delivery or elsewhere on Pipeline's system; or
  - (2) shall not adversely affect Pipeline's ability to operate its system.
- (c) In the event Customer is tendering gas to Pipeline at Customer's Secondary Point(s) of Delivery, such Customer, on not less than twenty-four (24) hours notice, shall retain its right during a month to revert back to use of such Customer's Primary Point(s) of Delivery, subject to the limitations set forth in this Section 8 and in Section 15 of Pipeline's General Terms and Conditions. In such event, Customer utilizing such Point(s) of Delivery as Secondary Point(s) of Delivery shall be required to reduce deliveries of gas at such Secondary Point(s) of Delivery as may be required to facilitate the Customer reverting back to such Point(s) of Delivery as Primary Point(s) of Delivery. Customer who is required to reduce deliveries of gas at Secondary Point(s) of Delivery when a Customer has selected such Point(s) of Delivery as Primary Point(s) of Delivery and

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Secondary Point(s) of Delivery are utilized and quantities are tendered by Pipeline at Secondary Point(s) of Delivery, quantities tendered at such Secondary Point(s) of Delivery, together with those quantities tendered pursuant to Paragraph 8.2(a), shall not exceed Customer's aggregate MDQ as set forth in its Service Agreement with Pipeline. Customer shall be permitted to add or delete Secondary Point(s) of Delivery. Service at such Secondary Point(s) of Delivery shall also be subject to the availability of capacity at such Secondary Point(s) of Delivery the recall rights of those Customers who have designated such Point(s) of Delivery as Primary Point(s) of Delivery, and a determination by Pipeline that utilization of Customer's Secondary Point(s) of Delivery:

- (1) shall not adversely affect service to other existing firm Customers either at that Point of Delivery or elsewhere on Pipeline's system; or
  - (2) shall not adversely affect Pipeline's ability to operate its system.
- (c) In the event Customer, including any Replacement Customer, is tendering gas to Pipeline at Customer's Secondary Point(s) of Delivery, such Customer, on not less than twenty-four (24) hours notice, shall retain its right during a month to revert back to use of such Customer's Primary Point(s) of Delivery, subject to the limitations set forth in this Section 8 and in Section 15 of Pipeline's General Terms and Conditions. In such event, Customer utilizing such Point(s) of Delivery as Secondary Point(s) of Delivery shall be required to reduce deliveries of gas at such Secondary Point(s) of Delivery as may be required to facilitate the Customer reverting back to such Point(s) of Delivery as Primary Point(s) of Delivery. Customer who is required to reduce deliveries of gas at Secondary Point(s) of Delivery when a Customer has selected such Point(s) of Delivery as Primary Point(s) of Delivery and

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reverts back to such Primary Point(s) of Delivery during a month shall indemnify and hold Pipeline harmless from and against any and all losses, damages, or expenses of every kind and character which Pipeline or Customers may suffer, sustain, or be liable for and shall hold Pipeline harmless from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of a Customer reverting back to Primary Point(s) of Delivery during a month.

- (d) In the event capacity is constricted, Point(s) of Delivery utilized by a Customer for transportation service pursuant to Rate Schedules ITS or ITS-OSF is subject to interruption by a Customer, including any Replacement Customer, receiving transportation service pursuant to Rate Schedules FTS, FTS-OSF or NNS who is seeking to utilize such point(s) as Primary or Secondary Point(s) of Delivery.

- 8.3 Use of Discounts at Alternative Point(s): A firm Customer, which has been granted a discounted FTS rate by Pipeline, that seeks to use an alternative Receipt or Delivery Point(s) (whether through segmentation, capacity release, or its own exercise of Secondary Receipt and Delivery Point(s) rights) can continue to receive a discounted rate at such alternate point if Pipeline has granted a discount to any similarly situated transaction at the alternate point(s). The rate to be paid at such alternate point(s) shall be the higher of Customer's current discounted FTS rate or the discounted rate being offered to any similarly situated transaction at the alternate point(s).

Customer may request a discount at an alternative point at any time. Pipeline shall process such request for discount at an alternative point(s) within two (2) hours of the time such request is submitted. Provided, however, if such request is received by Pipeline after 4 p.m., Pipeline shall process such request by 8:30 a.m. the next business day. No requests for discount at alternative point(s) will be processed on non-business days.

## 9. BILLING AND PAYMENT

- 9.1 The unit of measurement for billing purposes shall be one (1) Dkth or MMBtu, consisting of one million (1,000,000) Btus. Quantities measured at other temperatures and pressures shall be computed into such units, using conversion factors based on no less than six (6) decimal places for such computation, giving effect to the deviation of gas from Boyle's law. Any such conversion factors utilized shall be reported in a format containing no less than three (3) decimal places.
- 9.2 Pipeline shall provide monthly billings to Customer on or before the 9th business day of each month, for all services performed by Pipeline for Customer during the preceding month. All such statements shall be standardized to the same level of detail, with minimum level shall be guided by GISB's development of standardized data elements. Additionally, such billings, shall reflect standard field name descriptors, net billing rates, appropriate charge codes for all transactions, volumes derived from actual or best available data and shall include any appropriate backup data. When information necessary for billing purposes is in the control of Customer, then Customer shall furnish such information to Pipeline on or before the 5th business day of the month. Any such information provided to Pipeline subsequent to the fifth (5th) business day of the month shall be considered by Pipeline during subsequent billing periods and treated as a prior period adjustment. Regarding inadequate detail supporting documentation, supporting documentation should be

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reverts back to such Primary Point(s) of Delivery during a month shall indemnify and hold Pipeline harmless from and against any and all losses, damages, or expenses of every kind and character which Pipeline or Customers may suffer, sustain, or be liable for and shall hold Pipeline harmless from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of a Customer reverting back to Primary Point(s) of Delivery during a month.

- (d) In the event capacity is constricted, Point(s) of Delivery utilized by a Customer for transportation service pursuant to Rate Schedules ITS or ITS-OSF is subject to interruption by a Customer, including any Replacement Customer, receiving transportation service pursuant to Rate Schedules FTS, FTS-OSF or NNS who is seeking to utilize such point(s) as Primary or Secondary Point(s) of Delivery.

- 8.3 Use of Discounts at Alternative Point(s): A firm Customer, which has been granted a discounted FTS rate by Pipeline, that seeks to use an alternative Receipt or Delivery Point(s) (whether through segmentation, capacity release, or its own exercise of Secondary Receipt and Delivery Point(s) rights) can continue to receive a discounted rate at such alternate point if Pipeline has granted a discount to any similarly situated transaction at the alternate point(s). The rate to be paid at such alternate point(s) shall be the higher of Customer's current discounted FTS rate or the discounted rate being offered to any similarly situated transaction at the alternate point(s).

Customer may request a discount at an alternative point at any time. Pipeline shall process such request for discount at an alternative point(s) within two (2) hours of the time such request is submitted. Provided, however, if such request is received by Pipeline after 4 p.m., Pipeline shall process such request by 8:30 a.m. the next business day. No requests for discount at alternative point(s) will be processed on non-business days.

9. BILLING AND PAYMENT

- 9.1 The unit of measurement for billing purposes shall be one (1) Dkth or MMBtu, consisting of one million (1,000,000) Btus. Quantities measured at other temperatures and pressures shall be computed into such units, using conversion factors based on no less than six (6) decimal places for such computation, giving effect to the deviation of gas from Boyle's law. Any such conversion factors utilized shall be reported in a format containing no less than three (3) decimal places.
- 9.2 Pipeline shall provide monthly billings to Customer on or before the 9th business day of each month, for all services performed by Pipeline for Customer during the preceding month. All such statements shall be standardized to the same level of detail, with minimum level shall be guided by NAESB's development of standardized data elements. Additionally, such billings, shall reflect standard field name descriptors, net billing rates, appropriate charge codes for all transactions, volumes derived from actual or best available data and shall include any appropriate backup data. When information necessary for billing purposes is in the control of Customer, then Customer shall furnish such information to Pipeline on or before the 5th business day of the month. Any such information provided to Pipeline subsequent to the fifth (5th) business day of the month shall be considered by Pipeline during subsequent billing periods and treated as a prior period adjustment. Regarding inadequate detail supporting documentation, supporting documentation should be

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rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

- 9.4 Pipeline and Customer shall have the right to examine the books, records, and charts of the other party during normal business hours of Pipeline or Customer to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to the provisions of this FERC Gas Tariff. The cost of such examination shall be borne by the party exercising its right of examination.
- 9.5 Customer shall pay Pipeline, at its designated office on or before the 20th day of each month, for the services performed by Pipeline for Customer during the preceding month, and billed by Pipeline in the statement for such month. Such payment shall include supporting documentation which shall identify items for which remittance is included and appropriate detail for amounts adjusted.
- 9.6 Should Customer fail to pay the amount of any bill for services performed by Pipeline for Customer when such amount is due, interest thereon shall accrue at the prime rate in effect on the date of such statement plus one percent (1%). The term "prime rate" shall mean the annual rate of interest at which short-term loans are made by The Chase Manhattan Bank, New York, New York, to its prime customers. If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for the dispute.
- 9.7 If Customer's failure to pay continues for thirty (30) days after payment is due, Pipeline, in addition to any other remedy it may have, may suspend services until such amount is paid; provided, however, that if Customer in good faith, disputes the amount of any such bill providing to Pipeline such documentation as to identify the basis for the dispute and pays to Pipeline such amounts as Customer concedes to be correct, and upon demand made by Pipeline, furnishes within thirty (30) days a good and sufficient surety bond, in amount and with sureties satisfactory to Pipeline, conditional upon the payment of any amounts ultimately found due upon such bill after a final determination, which may be reached either by agreement or judgment of the courts as may be the case, then Pipeline shall not be entitled to suspend further deliveries of gas unless and until the sureties fail to perform in accordance with the conditions of such bond. Pipeline shall reimburse Customer for those costs incurred by Customer in furnishing the surety bond in the event of a final determination that no amounts are due Pipeline.

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provided upon request, with timing of supporting documentation to follow the timing of the flowing gas transactions.

- 9.3 In the event an error is discovered in the amount billed in any statement provided by Pipeline to Customer, such error shall be adjusted promptly but in no case later than ninety(90) days from the date on which Pipeline receives claim of such error from Customer, provided that any claim therefor shall have been made within six (6) months from the date of such statement. Prior period adjustment time limits should be 6 months from the date of the initial transportation invoice and 7 months from the date of initial sales invoice with a 3-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be deminished by this standard.
- 9.4 Pipeline and Customer shall have the right to examine the books, records, and charts of the other party during normal business hours of Pipeline or Customer to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to the provisions of this FERC Gas Tariff. The cost of such examination shall be borne by the party exercising its right of examination.
- 9.5 Customer shall pay Pipeline, at its designated office on or before the 20th day of each month, for the services performed by Pipeline for Customer during the preceding month, and billed by Pipeline in the statement for such month. Such payment shall include supporting documentation which shall identify items for which remittance is included and appropriate detail for amounts adjusted.
- 9.6 Should Customer fail to pay the amount of any bill for services performed by Pipeline for Customer when such amount is due, interest thereon shall accrue at the prime rate in effect on the date of such statement plus one percent (1%). The term "prime rate" shall mean the annual rate of interest at which short-term loans are made by The Chase Manhattan Bank, New York, New York, to its prime customers. If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for the dispute.
- 9.7 If Customer's failure to pay continues for thirty (30) days after payment is due, Pipeline, in addition to any other remedy it may have, may suspend services until such amount is paid; provided, however, that if Customer in good faith, disputes the amount of any such bill providing to Pipeline such documentation as to identify the basis for the dispute and pays to Pipeline such amounts as Customer concedes to be correct, and upon demand made by Pipeline, furnishes within thirty (30) days a good and sufficient surety bond, in amount and with sureties satisfactory to Pipeline, conditional upon the payment of any amounts ultimately found due upon such bill after a final determination, which may be reached either by agreement or judgment of the courts as may be the case, then Pipeline shall not be entitled to suspend further deliveries of gas unless and until the sureties fail to perform in accordance with the conditions of such bond. Pipeline shall reimburse Customer for those costs incurred by Customer in furnishing the surety bond in the event of a final determination that no amounts are due Pipeline.

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9.8 If presentation of a bill by Pipeline is delayed after the 9th business day of the month, then the time of payment shall be extended accordingly unless Customer is responsible for such delay.

10. CONSTRUCTION OF NEW FACILITIES AND ASSOCIATED FEES

10.1 Pipeline shall have no obligation to construct facilities to receive, redeliver, transport, or exchange natural gas; provided, however, if Customer requests and Pipeline, on a non-discriminatory basis, elects to construct such facilities, Customer shall, at Pipeline's request, reimburse Pipeline for all costs incurred for facilities Pipeline constructs to receive, redeliver, transport or exchange, gas volumes for Customer.

10.2 Customer shall reimburse Pipeline for any filing or other fees which Pipeline is obligated to pay to the FERC or any other governmental authorities to implement or continue any service provided pursuant to this FERC Gas Tariff. Any reimbursement due Pipeline by Customer pursuant to this Section 10 shall be due and payable to Pipeline within ten (10) days of receipt by Customer of Pipeline's invoice for such reimbursement.

10.3 In the event Pipeline elects to construct facilities pursuant to this Section 10, any gas which is lost as a result of such construction shall be replaced by Customer at a time and place and in such quantities as determined by Pipeline; provided, however, Customer shall not be responsible for replacing those quantities lost due to the negligence of Pipeline.

11. LATERAL LINE POLICY

11.1 To the extent that Pipeline elects to provide service pursuant to this FERC Gas Tariff, it shall be Pipeline's policy to finance, construct, own, and operate laterals serving Customers. This policy shall be applicable to the financing, construction, ownership, and operation of laterals serving both existing and prospective Customers under Pipeline's Rate Schedules contained in this FERC Gas Tariff.

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- 11.2 The term "lateral" shall mean any future pipeline, other than mainline, constructed so as to interconnect with existing Pipeline facilities to deliver or receive natural gas to or from Customer(s) inclusive of new delivery points and enlargements or replacements of present lateral lines.
- 11.3 Pipeline may finance, construct, own, and operate lateral lines when in Pipeline's reasonable discretion it is economically and operationally feasible to do so. To the extent that construction and operation of lateral lines is for the benefit of a specific Customer(s), Pipeline may require Customer(s) to make a contribution in aid of construction; provided, however, all lateral lines shall be designed, constructed, owned, and operated by Pipeline.
- 11.4 Nothing in this Section 11 shall require Pipeline to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act (NGA). Further, nothing in this Section 11 shall prevent Pipeline from contesting an application for service filed pursuant to section 7(a) of the NGA. Pipeline reserves the right to waive the policy set forth in this Section 11, for good cause shown, during any proceeding before the FERC instituted under section 7 of the NGA.

12. STANDARDS OF CONDUCT

12.1 Shared Personnel and Facilities

- (a) Certain personnel working for the Pipeline are involved in the operation of affiliated marketing companies of Pipeline. The titles of such personnel are as follows:
  - (1) Dan C. Tutcher; President & CEO
  - (2) I.J. "Chip" Berthelot, II; COO

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- (3) E. Chris Kaitson; General Counsel
- (4) Belinda Howard; Contract Administration
- (5) Greg Montgomery; Financial Accounting

- (b) The only common facilities are the offices occupied by those personnel listed above which are located at 1100 Louisiana, Suite 2900 and Suite 3200, Houston, Texas 77002. These facilities include offices, office furniture and equipment. These facilities relate only to those personnel performing work for Pipeline and the affiliated marketing companies. Additionally, Transporter and the affiliated marketing companies also share selected computer applications such as E-mail, etc. However, those applications do not include any applications related to Transporter's transportation services.
- 12.2 All terms and conditions contained in this FERC Gas Tariff shall be applied in a nondiscriminatory manner without preference to Pipeline, or its marketing affiliates.
  - 12.3 Pipeline shall provide service under Rate Schedules FTS, ITS, FTS-OSF, ITS-OSF, and NNS on a basis that is equal in quality for all gas supplies transported by Pipeline under such Rate Schedules, whether purchased from Pipeline, from Pipeline's affiliates, or from another entity.
  - 12.4 A Service Agreement executed pursuant to the terms and conditions contained in this FERC Gas Tariff shall not be conditioned in any manner by an agreement relating to any services provided by Pipeline on behalf of its affiliates, any services provided by Pipeline's affiliates, or any services which involve Pipeline's affiliate.
  - 12.5 Complaints by Customers or Potential Customers on Pipeline's transmission system concerning any of Pipeline's Order Nos. 497 or 636 compliance procedures shall be submitted to

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Pipeline, attention General Counsel, and shall contain a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any. Within forty-eight (48) hours of receipt of this information, the General Counsel of Pipeline shall respond initially to the Customer or Potential Customer, and within thirty (30) days of receipt of this information, the General Counsel shall provide a written response to the Customer or Potential Customer.

13. FORCE MAJEURE

13.1 The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, hurricanes or threats of hurricanes, fires, storms, floods, washouts, arrests, and restraints of the Government, either Federal or State, including both civil and military, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, partial or entire failure of natural gas wells, curtailment on other pipelines, inability of any party hereto to obtain necessary materials, supplies, or permits due to existing or future rules, regulations, orders, laws or proclamations of governmental authorities, both Federal and State, including both civil and military, and any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the party claiming suspension; provided, however, that said term shall not mean or include any such cause within the control of the party claiming suspension, nor any cause which by the exercise of due diligence such party is able to overcome. The settlement of strikes or lockouts, however, shall be entirely within the discretion of the party having the difficulty, and the requirement in Paragraph 13.2 hereof that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such course is inadvisable in the discretion of the party having the difficulty.

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13.2 In the event either Pipeline or Customer is rendered unable wholly or in part, by force majeure to carry out its obligations, other than the obligation to make payments due, then on giving notice and reasonably full particulars of such force majeure in writing within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of an inability so caused, but no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch.

14. BALANCING AND IMBALANCE BIDDING PROVISIONS

14.1 It shall be the responsibility of Customer to provide accurate and timely nominations of quantities proposed to be received and delivered by Pipeline under all of Customer's Service Agreements and to maintain, as nearly as practicable, equality between quantities actually received by Pipeline and delivered to Customer under each Service Agreement with Customer's scheduled quantities. Customer shall cause the rate of deliveries to Pipeline at the Point(s) of Receipt under a Service Agreement to equal, as nearly as practicable, the rate of deliveries by Pipeline at the Point(s) of Delivery under such Service Agreement. Upon notice by Pipeline and/or issuance of an Operational Flow Order, such rates of receipts or deliveries shall be adjusted within time periods as specified by Pipeline in its notice or Operational Flow Order to Customer. Failure to comply with a notice or Operational Flow Order issued by Pipeline will make Customer subject to a penalty, as set forth in Section 5.9(b) hereof.

14.2 Gas transported by Pipeline pursuant to any firm or interruptible Rate Schedules will be received and redelivered on a thermally equivalent basis as nearly as practicable at uniform hourly and daily rates.

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**First Revised Sheet No. 151** First Revised Sheet No. 151 : Pending  
Superseding: Original Sheet No. 151

13.2 In the event either Pipeline or Customer is rendered unable wholly or in part, by force majeure to carry out its obligations, other than the obligation to make payments due, then on giving notice and reasonably full particulars of such force majeure in writing within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of an inability so caused, but no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch.

14. BALANCING AND IMBALANCE PROVISIONS

14.1 It shall be the responsibility of Customer to provide accurate and timely nominations of quantities proposed to be received and delivered by Pipeline under all of Customer's Service Agreements and to maintain, as nearly as practicable, equality between quantities actually received by Pipeline and delivered to Customer under each Service Agreement with Customer's scheduled quantities. Customer shall cause the rate of deliveries to Pipeline at the Point(s) of Receipt under a Service Agreement to equal, as nearly as practicable, the rate of deliveries by Pipeline at the Point(s) of Delivery under such Service Agreement. Upon notice by Pipeline and/or issuance of an Operational Flow Order, such rates of receipts or deliveries shall be adjusted within time periods as specified by Pipeline in its notice or Operational Flow Order to Customer. Failure to comply with a notice or Operational Flow Order issued by Pipeline will make Customer subject to a penalty, as set forth in Section 5.9(b) hereof.

14.2 Gas transported by Pipeline pursuant to any firm or interruptible Rate Schedules will be received and redelivered on a thermally equivalent basis as nearly as practicable at uniform hourly and daily rates.

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**Original Sheet No. 152** Original Sheet No. 152 : Effective

- 14.3 To correct an imbalance incurred during a month, Customer may submit a request setting forth a correcting imbalance, to be undertaken during the month that the imbalance occurs, that results in overdeliveries to Pipeline at Point(s) of Receipt or underdeliveries to Customer at Point(s) of Delivery; provided, however, such receipts and deliveries shall not exceed Customer's MDQ and, provided further, that such request to correct the imbalance shall be subject to Pipeline's approval, which approval shall not be unreasonably withheld.
  
- 14.4 If Pipeline determines in its reasonable judgment, on a non-discriminatory basis, that imbalances on its system impair Pipeline's ability to operate its system, Pipeline shall have the right to notify Customer through an Operational Flow Order to correct immediately such imbalance. Failure to comply with an Operational Flow Order issued by Pipeline will make Customer subject to a penalty, as set forth in Paragraph 5.9(b) hereof.

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**First Revised Sheet No. 152** First Revised Sheet No. 152 : Pending  
Superseding: Original Sheet No. 152

- 14.3 To correct an imbalance incurred during a month, Customer may submit a request setting forth a correcting imbalance, to be undertaken during the month that the imbalance occurs, that results in overdeliveries to Pipeline at Point(s) of Receipt or underdeliveries to Customer at Point(s) of Delivery; provided, however, such receipts and deliveries shall not exceed Customer's MDQ and, provided further, that such request to correct the imbalance shall be subject to Pipeline's approval, which approval shall not be unreasonably withheld.
- 14.4 If Pipeline determines in its reasonable judgment, on a non-discriminatory basis, that imbalances on its system impair Pipeline's ability to operate its system, Pipeline shall have the right to notify Customer through an Operational Flow Order to correct immediately such imbalance. Failure to comply with an Operational Flow Order issued by Pipeline will make Customer subject to a penalty, as set forth in Paragraph 5.9(b) hereof.
- 14.5 Customer receiving service under Rate Schedule NNS shall not be subject to Paragraphs 14.2, 14.3, and 14.4 hereof; provided, however, to the extent that quantities of gas delivered from Pipeline's system pursuant to Rate Schedule NNS exceed Customer's NNS MDQ, Customer shall be subject to a penalty, as set forth in Paragraph 17.5.
- 14.6 Monthly Imbalances
- (a) Non-Winter Period (April - October) Imbalances - Provided that Customer has not been notified by Pipeline that its imbalances are creating an operational problem on its system, and the continuation of the imbalance is endangering service to other Customers, Pipeline shall notify and post, pursuant to Paragraph 14.9 hereof the imbalance for netting and/or trading. If a trade is not made, Customer shall have until the end of the following month to eliminate its imbalance with no penalty. If Customer does not eliminate such imbalance by the end of the following month or has been notified by Pipeline that its imbalance is creating an operation problem, such imbalance shall be Cashed-out pursuant to the provisions of Paragraph 14.7 hereof.
- (b) Winter Period (November - March) Imbalances - Provided that Customer has not been notified by Pipeline that its imbalances are creating an operation problem on its system, and the continuation of the imbalance is endangering service to other Customers, and Customer is not able to trade its imbalance pursuant to the provisions of Pipeline's imbalance netting and trading service as provided under Paragraph 14.7 hereof and Pipeline and the Customer have not mutually agreed to an alternate method, Pipeline and Customer shall Cash-out any imbalance between deliveries and scheduled nominations at the Delivery Point(s) as provided under Section 14.7 hereof. Pipeline shall divide the monthly imbalance by the sum of all scheduled nominations for all days of the month for each Delivery Point(s) to determine the percentage monthly Imbalance for the purpose of the Cash-Out as set forth hereinafter,

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#### 14.7 Imbalance Trading and Cash Out Procedure

It shall be the responsibility of Customer to eliminate end-of-month imbalances. Unless Customer can resolve an imbalance through the methods set forth below, Pipeline and Customer shall settle in cash, pursuant to 14.7(b) and (c) of this section any net production imbalance remaining between actual or allocated receipt quantities and actual or allocated delivery quantities on the invoice submitted in the month following the month in which such imbalances were resolved.

(a) Imbalance Trading and Netting

(i) On or before the ninth (9th) business day of each month, Pipeline shall send Customer or any party using such services on behalf of the Customer ("Agent"), collectively referred to as "Customer" under Sections 14.7(a) thru 14.7(c), a statement detailing the unresolved imbalance volume for the previous month within each Service Agreement. Customer may correct imbalances until the seventeenth (17th) business day of each month, by trading imbalances with other Customers or by netting imbalances created under its own transportation contracts.

(ii) Customer shall use the forms prescribed by the Pipeline, to notify Pipeline as to how its monthly imbalances will be resolved for the preceding calendar month. These forms are located on the Pipeline's Internet web site under "Informational Posting," and are listed as Imbalance Trading and Netting Forms. Such notification from the Customer (the initiating trader) shall constitute Pipeline's authorization to proceed as indicated on the submitted form. Customer can access the forms by downloading such forms from Pipeline's web site or by printing the forms directly from the Internet browser.

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Superseding: First Revised Sheet No. 153

#### 14.7 Imbalance Trading and Cash Out Procedure

It shall be the responsibility of Customer to eliminate end-of-month imbalances. Unless Customer can resolve an imbalance through the methods set forth below, Pipeline and Customer shall settle in cash, pursuant to 14.7(b) and (c) of this section any net production imbalance remaining between actual or allocated receipt quantities and actual or allocated delivery quantities on the invoice submitted in the month following the month in which such imbalances were resolved.

(a) Imbalance Trading and Netting

(i) On or before the ninth (9th) business day of each month, Pipeline shall send Customer or any party using such services on behalf of the Customer ("Agent"), collectively referred to as "Customer" under Sections 14.7(a) thru 14.7(c), a statement detailing the unresolved imbalance volume for the previous month within each Service Agreement. Customer may correct imbalances until the seventeenth (17th) business day of each month, by posting and trading imbalances with other Customers or by netting imbalances created under its own transportation contracts.

(ii) Customer shall use the forms prescribed by the Pipeline, to notify Pipeline as to how its monthly imbalances will be resolved for the preceding calendar month. These forms are located on the Pipeline's Internet web site under "Informational Posting," and are listed as Imbalance Trading and Netting Forms. Such notification from the Customer (the initiating trader) shall constitute Pipeline's authorization to proceed as indicated on the submitted form. Customer can access the forms by downloading such forms from Pipeline's web site or by printing the forms directly from the Internet browser.

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- (iii) In order for Customer to post imbalances to the Pipeline's Internet web site, it must complete and submit to Pipeline, the Monthly Imbalance Trading and Netting Form No 1, in accordance with the methods prescribed on such form. Pipeline must receive such completed form by 11:45 a.m. Central Clock Time ("CCT") in order for imbalances to be posted by 8:00 a.m. CCT the next business day. Upon receipt of such form, Pipeline shall post Customer's imbalances to its Internet web site, to allow Customer to trade the specific quantity with other Customers. Any imbalances authorized for posting received by Transporter by 11:45 a.m. CCT on the eighth (8th) business day of the month shall be effective by 8:00 a.m. the next business day. Imbalances previously authorized for posting shall be posted on or before the ninth business day of the month. Customer shall have the ability to view, and download such postings. Pipeline shall not be required to post zero (0) imbalances.
  
- (iv) In order for Customer to trade and/or net its imbalances, it must complete and submit to Pipeline the appropriate Monthly Imbalance Netting and Trading Forms, as follows. Form No. 2 shall be used by the Customer (the initiating trader), to net imbalances across its own transportation contracts. Form No. 3 shall be used by the Customer (the initiating trader) to trade imbalances with other Shippers (the confirming trader). Pipeline must receive appropriate completed form prior to the seventeenth (17th) business day of the month. In order for imbalances to be netted or traded, the imbalances must occur within the same production month and same Operational Impact Area for which the original imbalance occurred, and must not have an adverse impact upon pipeline's system. For the purpose of Imbalance Trading and Netting Services, Operational Impact Area shall be defined to mean Transporter's entire system.

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- (v) Customer can withdraw its imbalance trades by using the Imbalance Trading and Netting Form No. 4, as long as this form is received by the Pipeline prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by the Pipeline. After receipt of an Imbalance Trade Confirmation, Pipeline shall send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon CCT the next business day.
  
- (vi) After the seventeenth (17th) business day of the month Pipeline shall adjust the preceding month's imbalance to reflect the quantities traded and/or netted. No additional charges to the Customer will be imposed for monthly imbalances so adjusted.

(b) Pricing for Cash Out

The index price used in the calculation shall be the price per MMBtu equal to the "Bid Week" price published for the month in which the imbalance occurred, as stated in Natural Gas Week's "Gas Price Report for Louisiana, Gulf Coast, Onshore Spot, Delivered to Pipeline". In the event that the prices published in Natural Gas Week are no longer available or valid, the index price used in the calculation shall be equal to the prevailing price reported in Inside FERC's Gas Market Report under the heading of "Index" for "Southern Natural Gas Co. (Louisiana) for the first day of each month, or the earliest day of such month if such price is not reported for the first day until Pipeline files to revise this FERC Gas Tariff and may, in its reasonable judgment, select a representative price in the interim period, subject to refund.

(c) Cash-out Procedures

(1) Imbalance Due Pipeline - In the event of an imbalance caused when delivery quantities exceed receipt quantities and such imbalance was not resolved pursuant to paragraph 14.7(a) of this section, Pipeline shall invoice Customer for such imbalances as follows.

- (i) Such bill shall be calculated by multiplying the total imbalance by the index price multiplied by one or more of the following factors:

Imbalance Level	Factor
0% - ó 5%	1.00
5% - ó 10%	1.10
Greater than 10%	1.20

The imbalance level shall be calculated by dividing the imbalance by the scheduled delivery quantities. To the extent an imbalance is

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affected by more than one factor, only that portion of the imbalance which exceeds each imbalance level will be assessed at the higher factor.

- (ii) The Customer shall pay Pipeline as provided herein and in accordance with Section 9 of Pipeline's General Terms and Conditions.
- (2) Imbalance Due Customer - In the event of an imbalance caused when receipt quantities exceed delivery quantities, and such imbalance was not resolved pursuant to paragraph 14.7(a) of this section, Pipeline shall provide a credit on the invoice to the Customer as follows.
  - (i) Such credit shall be calculated by multiplying the total imbalance by the index price multiplied by one or more of the following factors:

Imbalance Level	Factor
0% - ó 5%	1.00
5% - ó 10%	.90
Greater than 10%	.80

The imbalance level shall be calculated by dividing the imbalance by the scheduled delivery quantities. To the extent an imbalance is affected by more than one factor, only that portion of the imbalance which exceeds each imbalance level will be assessed at the lower factor.

- (ii) In the event the credit calculated above exceeds, the total invoiced amount, Pipeline shall apply such excess to any prior period unpaid amounts. Any remaining credit amounts will be remitted to Customer on or before the - the last business day of the month for which invoice is issued. Pipeline shall have no responsibility for the distribution of funds beyond the initial distribution to Customer.

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- (d) Imbalances existing prior to the effective date of this Section 14 shall be corrected pursuant to procedures in effect at the time the imbalance was incurred, unless the parties agree to a cash settlement.

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15. NOMINATING, SCHEDULING, AND CONFIRMATION PROCEDURES

15.1 Nominations

GISB Standards 1.3.37, 1.3.38, 1.3.42 and 1.3.43 are incorporated herein by reference.

(a) Firm Transportation

- (1) If Customer desires service under the FTS or FTS-OSF Rate Schedules, including any segmentation of Customer's contractual rights, Customer shall give notice, either written or electronic format, of Customer's nomination to Pipeline specifying the contract under which such service is requested, the quantity of gas Customer requests under Customer's FTS or FTS-OSF Service Agreement(s); provided however that the requested quantity shall not be in excess of the applicable Contract MDQ, and the date(s) upon which such service is desired which dates shall include both a transaction start and transaction end date. Such nomination shall include the quantity of gas at each Point of Receipt and each Point of Delivery in addition to all other data elements required in order to constitute a complete and valid transaction as defined by GISB. Unless otherwise agreed to by Pipeline in an executed Service Agreement with Customer, Pipeline shall require Customer to withdraw gas from Pipeline's system at Point(s) of Delivery in uniform rates of flow which shall not exceed one-fifteenth (1/15th) of Customer's MDQ in any one (1) hour period.
- (2) Customer's nomination, to be deemed timely, must be received by Pipeline in accordance with the timeline(s) set forth in Paragraph 15.1.(i) hereof, provided, however, that a Customer that has acquired capacity by the way of a capacity release shall have the right to submit an intra-day nomination for the next available nomination cycle for the effective date of the contract. In the event Customer does not submit a timely nomination or desires to alter a timely nomination prior to confirmation by Pipeline, Customer may submit a late nomination which will be processed after timely nominations have been scheduled. If

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15. NOMINATING, SCHEDULING, AND CONFIRMATION PROCEDURES

15.1 Nominations

(a) Firm Transportation

- (1) If Customer desires service under the FTS or FTS-OSF Rate Schedules, including any segmentation of Customer's contractual rights, Customer shall give notice, either written or electronic format, of Customer's nomination to Pipeline specifying the contract under which such service is requested, the quantity of gas Customer requests under Customer's FTS or FTS-OSF Service Agreement(s); provided however that the requested quantity shall not be in excess of the applicable Contract MDQ, and the date(s) upon which such service is desired which dates shall include both a transaction start and transaction end date. Such nomination shall include the quantity of gas at each Point of Receipt and each Point of Delivery in addition to all other data elements required in order to constitute a complete and valid transaction as defined by NAESB. Unless otherwise agreed to by Pipeline in an executed Service Agreement with Customer, Pipeline shall require Customer to withdraw gas from Pipeline's system at Point(s) of Delivery in uniform rates of flow which shall not exceed one-fifteenth (1/15th) of Customer's MDQ in any one (1) hour period.
- (2) Customer's nomination, to be deemed timely, must be received by Pipeline in accordance with the timeline(s) set forth in Paragraph 15.1.(i) hereof, provided, however, that a Customer that has acquired capacity by the way of a capacity release shall have the right to submit an intra-day nomination for the next available nomination cycle for the effective date of the contract. In the event Customer does not submit a timely nomination or desires to alter a timely nomination prior to confirmation by Pipeline, Customer may submit a late nomination which will be processed after timely nominations have been scheduled. If

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Pipeline determines in its reasonable judgment that operating conditions will permit such change, a late nomination may be implemented by Pipeline subject to confirmation.

- (3) Customers shall have the right, on or after the first day of flow under any scheduled nomination, to submit a new nomination for any day complying with the procedures set forth in Paragraph 15.1 (a) (1) and 15.1 (a) (2) of this section. Such new nomination shall be implemented by Pipeline in accordance with the timeline(s) set forth in Paragraph 15.1.(i) and Paragraph 15.3 of Pipeline's General Terms and Conditions and only if such nomination is permitted, in Pipeline's reasonable judgment, by Pipeline's system operating conditions, and if such nomination may be implemented, in Pipeline's reasonable judgment, without detriment to any other firm Customer. Such new nomination shall specify Customer's anticipated service requirements and the date(s) throughout which such service is desired in addition to any other data elements as required by Paragraph 15.1(a)(1)hereof.
- (4) In addition to the rights set forth hereinabove, Pipeline shall allow, Customer to submit intra-day nominations in accordance with the timeline(s) set forth in Paragraph 15.1.(i) hereof. Such intra-day nomination can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. Such revised nominations shall designate the contract under which such service is requested, the date and time for which such service is to become effective, the requested daily flow rates at each receipt point, and all other data elements as required.

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Such revised nomination shall specify Customer's anticipated service requirements for the gas day specified and shall revert to previously scheduled levels upon termination of the current gas day.

(b) Interruptible Transportation

- (1) If Customer desires transportation under the ITS or ITS-OSF Rate Schedules, Customer shall give notice, either in written or electronic format, of Customer's nomination to Pipeline, specifying the contact number under which such service is being requested, the quantity of gas Customer requests under Customer's ITS or ITS-OSF Service Agreement(s); provided, however that the requested quantity shall not be in excess of the applicable Contract MDQ and the date(s) upon which service is desired which dates shall include both a transaction start and transaction end date. Such nomination should reflect the quantity of gas requested for each Point of Receipt and each Point of Delivery in addition to all other data elements required in order to constitute a complete a valid transaction as defined by NAESB. Unless otherwise agreed to by Pipeline in an executed Service Agreement with Customer, Pipeline shall require Customer to withdraw gas from Pipeline's system At Point(s) of Delivery in uniform rates of flow which shall not exceed one-fifteenth (1/15th) of Customer's MDQ in any one (1) hour period.
- (2) Customer's nomination, to be deemed timely, must be received by Pipeline in accordance with the timeline(s) set forth in Paragraph 15.1.(i) hereof. In the event Customer does not submit a timely nomination or desires to alter a timely nomination prior to confirmation by Pipeline, Customer may submit a late nomination which will be processed after

timely nominations have been scheduled. If Pipeline determines in its reasonable judgment that operating conditions will permit such change, a late nomination may be scheduled by Pipeline subject to confirmation.

- (3) Customers shall have the right, on or after the first day of flow under any scheduled nomination, to submit a new nomination complying with the procedures set forth in Paragraph 15.1(b)(1) and 15.1(b)(2) of this section. Such new nomination shall be implemented by Pipeline in accordance with the timeline(s) set forth in Paragraph 15.1.(i) hereof and Paragraph 15.3 of Pipeline's General Terms and Conditions and only if such new nomination is permitted, in Pipeline's reasonable judgment, by Pipeline's system operating conditions, and if such nomination may be implemented, in Pipeline's reasonable judgment, without detriment to any firm Customer or another Rate Schedule ITS or ITS-OSF Customer who has already provided a nomination for that day. Such new nomination shall specify Customer's anticipated service requirements and date(s) throughout which such service is desired in addition to any other data elements as required by paragraph 15.1(b)(1) hereof.
- (4) In addition to the rights set forth hereinabove, Pipeline shall allow Customer to submit intra-day nominations in accordance with the timeline(s) set forth in Paragraph 15.1.(i) hereof. Such intra-day nomination can be used to nominate new supply or market, request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. Such revised nominations shall designate the contract under which such service is requested, the date and time for which such service is to become effective, the requested daily flow rates at each receipt point, and all other data elements as required by Paragraph 15.1 (a) (1) hereof for the affected gas day.

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Such revised nomination shall specify Customer's anticipated service requirements for the gas day specified and shall revert to previously scheduled levels upon termination of the current gas day.

- (c) Nominations shall be effective for the period for which such nominations are made unless and until a new nomination has been received and confirmed by Pipeline; provided, however, no nomination for service shall be allowed to endure beyond the expiration date of the contract for which such service is nominated.
- (d) All nominations shall be considered original nominations having a prospective effect, only and shall be replaced to be changed. Any nomination received by Pipeline for a specified date range shall be considered an original nomination. Subsequent nominations(s) for one or more days within the previously-specified date range shall supersede the previous nomination only to the extent of the days specified. Any days outside the range of the subsequent nomination remain unaffected.
- (e) The absence of a nomination in place for any day shall be an election by Customer not to receive service under any FTS, FTS-OSF, ITS or ITS-OSF agreement.
- (f) For purposes of nominating in-kind fuel reimbursement under any FTS, FTS-OSF, ITS, or ITS-OSF agreement, fuel shall be calculated as follows: "the quantity((1minus fuel percent) divided by 100) multiplied by receipt quantity equals delivery quantity", i.e.,  $((1 - \text{Fuel } \%) / 100) \times R = D$ . the result of which calculation shall be rounded to the nearest whole Dkth. Nominations of in-kind fuel reimbursement shall carry the same level of priority of service as the transaction to which it applies. Pipeline shall not reject a nomination for reasons of rounding differences due to fuel calculation of less than five (5) Dth.
- g) Customer may designate an Agent to nominate service on Customer's behalf. Customer shall notify Pipeline in Customer's request for service pursuant to Section 27 of General Terms and Conditions of Customer's designated Agent. Pipeline shall be authorized to rely on nominations provided by Customer's Agent. By designating an Agent, Customer agrees to

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- indemnify and hold harmless from all suits, actions, damages, costs, losses and expenses arising in any way from actions of Customer's Agent on behalf of Customer, the failure of Customer's Agent to act on behalf of Customer, or Pipeline's reliance upon the information provided to Pipeline by Customer's Agent.
- (h) Any waiver of any deadline(s) set forth in this Section 15.1 governing the transmittal of information or data in any form is at sole discretion of the party anticipating the receipt of such data. Sender of such information or data may not waive and is bound to adhere to such deadline(s) unless waiver has been granted by the receiving party.
- (i) Nomination Timeline: Nominations, other than for capacity being recalled which is subject to the timing as stated in 15.1(i)(E) below, may be submitted, accepted, confirmed and scheduled in accordance with the following:
- (A) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by Transporter (including from Title Transfer Tracking Service Providers (TTSPs)); noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Shipper and point operator (central clock time on the day prior to flow).
- (B) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by Transporter (including from TTSPs); 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties, (central clock time on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another service requester to receive notice that it is being bumped shall be effective at 9:00 a.m. on the gas day; and when an Evening Nomination causes another service requester to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on the gas day.

**Second Revised Sheet No. 166** Second Revised Sheet No. 166 : Effective  
Superseding: First Revised Sheet No. 166

- (C) The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Transporter (including from TTSPs); 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties, (central clock time on the day prior to flow). Scheduled quantities resulting from Intraday 1 Nomination shall be effective at 5:00 p.m. on the gas day.
- (D) The Intraday 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by Transporter (including from TTSPs); 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators (central clock time on the day prior to flow). Scheduled quantities resulting from Intraday 2 Nomination shall be effective at 9:00 p.m. on the gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.
- (E) (i) For the recall of capacity, or the recall of any unscheduled capacity, effective with the Evening Nomination Cycle, Releasing Shipper shall notify Transporter by 5:00 p.m. CCT of its recall of capacity subject to a capacity release. Transporter shall notify, by telephone and followed-up by facsimile, the Replacement Shipper(s) of such recall by 6:00 p.m. CCT and Releasing Shipper and Replacement Shipper shall submit a nomination or, in the case of a recall, a revised nomination by 6:00 p.m. CCT.  
(ii) For the recall of capacity, or the recall of any unscheduled capacity, effective with the Timely Nomination Cycle, Releasing Shipper shall notify Transporter by 8:00 a.m. CCT of its recall of capacity subject to a capacity release. Transporter shall notify, by telephone and followed-up by facsimile, the Replacement Shipper(s) of such recall by 9:00 a.m. CCT and Releasing Shipper and Replacement Shipper shall

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Superseding: Substitute Original Sheet No. 166A

- submit a nomination by 11:30 a.m. CCT.
  - (iii) For the recall of any unscheduled capacity, effective with the Intra-Day 1 Nomination Cycle, Releasing Shipper shall notify Transporter by 8:00 a.m. CCT of its recall of capacity subject to a capacity release. Transporter shall notify, by telephone and followed-up by facsimile, the Replacement Shipper(s) of such recall by 9:00 a.m. CCT and Releasing Shipper shall submit a nomination by 10:00 a.m. CCT.
  - (iv) For recall of any unscheduled capacity, effective with the Intra-Day 2 Nomination Cycle, Releasing Shipper shall notify Transporter by 3:00 p.m. CCT of its recall of capacity subject to a capacity release. Transporter shall notify, by telephone and followed-up by facsimile, the Replacement Shipper(s) of such recall by 4:00 p.m. CCT and Releasing Shipper shall submit a nomination by 5:00 p.m. CCT.
- (F) For purposes of NAESB Standards 1.3.2 (ii), (iii), and (iv), which is incorporated herein as Paragraph 15.1(i)(B), (C) and (D), "provide" shall mean for transmittals pursuant to NAESB Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

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**First Revised Sheet No. 167** First Revised Sheet No. 167 : Effective  
Superseding: Original Sheet No. 167

15.2 Confirmations

- (a) The confirmation process shall be initiated by the Pipeline.
- (b) Customers that are required by this FERC Gas Tariff to provide nominations shall be responsible for verifying that nominations have been confirmed and shall be responsible for ensuring that each affected Point Operator confirms timely nominations in accordance with the timeline(s) set forth in Paragraph 15.1.(i) hereof. Customers shall be required to conform quantities of gas delivered at a point to such confirmed nominations.
- (c) Nominations for which a confirmation is initiated but not received shall be scheduled in accordance with NAESB Standard 1.3.22.
- (d) Customers required by this FERC Gas Tariff to provide nominations shall be required to provide Pipeline with Customer's or its Agent's address, telephone number, and facsimile machine number to be available twenty-four (24) hours a day, seven (7) days a week. Customers shall be required to maintain the appropriate address, telephone number, and facsimile machine number to be available twenty-four (24) hours a day, seven (7) days a week of all parties in the confirmation path to the affected Point Operator.
- (e) Any waiver of any deadline(s) set forth in this Section 15.2 for the transmittal of information or data in any form is at the sole discretion of the receiving party. Sender of such information or data may not waive and is bound to adhere to such deadline(s) unless waiver has been granted by receiving party.

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**First Revised Sheet No. 168** First Revised Sheet No. 168 : Effective

Superseding: Original Sheet No. 168

15.3 Scheduling

- (a) Based upon the timely receipt of confirmation of nominations for service under Rate Schedules FTS and FTS-OSF, Pipeline shall schedule receipts and deliveries of gas among such Customers according to the quantities of gas confirmed to be scheduled up to but not in excess of the applicable contractual entitlement of each Customer.

- (b) Following the scheduling of receipts and deliveries for Customers receiving service pursuant to Rate Schedules FTS, FTS-OSF and NNS Pipeline shall schedule receipts and deliveries of gas based upon Customer's confirmed nominations for service under Rate Schedules ITS and ITS-OSF. Scheduling of receipts and deliveries for Customers under Pipeline's interruptible rate schedules shall follow the sequence set forth below:
- (1) Service to be provided at the maximum rate of Pipeline then in effect on a first-come, first-served basis;
  - (2) Service to be provided at a rate less than the maximum rate of Pipeline then in effect in sequence, beginning with the rate most proximate to the maximum rate, and within each of these rate categories on the basis of the term of the service agreement and thereafter on a first-come, first-served basis.
  - (3) Within each of these rate categories among Customers with the identical first-come, first-served priority on Pipeline's system where Pipeline is unable to accept the nominations of all such Customers, Pipeline shall schedule quantities among said Customers on a pro rata basis based upon Customer's nominations received by Pipeline.
- (c) When scheduling service under Rate Schedules FTS, FTS-OSF and NNS, Pipeline shall first schedule receipts and deliveries of gas at particular Point(s) of Receipt and Point(s) of Delivery for Customers who have designated such Point(s) of Receipt and Point(s) of Delivery as Primary Point(s) of Receipt and Primary Point(s) of Delivery pursuant to Section 8 of the General Terms and Conditions. To the extent capacity is available at such Point(s) of Receipt and Point(s) of Delivery, Pipeline shall then schedule receipts and

**First Revised Sheet No. 170** First Revised Sheet No. 170 : Effective  
Superseding: Original Sheet No. 170

deliveries of gas for Customers who have designated such Point(s) of Receipt and Point(s) of Delivery as Secondary Point(s) of Receipt or Secondary Point(s) of Delivery pursuant to Section 8 of the General Terms and Conditions. For purposes of the initial scheduling of timely confirmed nominations pursuant to Paragraph 15.1(a)(1) of the General Terms and Conditions and Paragraph 15.1.(i) of the Nomination Timeline, in the event a Customer has requested Secondary Point(s) of Receipt or Secondary Point(s) of Delivery which are unavailable because of capacity constraints, Customer shall have the right to re-designate Primary Point(s) of Receipt or Primary Point(s) of Delivery and displace any Customer who has designated such point(s) as Secondary Point(s) of Receipt or Secondary Point(s) of Delivery. Customer who has selected Secondary Point(s) of Receipt and Secondary Point(s) of Delivery pursuant to Section 8 of General Terms and Conditions shall have priority over interruptible customers for scheduling purposes at such points.

- (d) Upon completion of scheduling of all timely, confirmed nominations, late nominations for which required confirmations have been received shall be scheduled by Pipeline following the priorities set forth in Paragraph(a), (b), and (c) of this Section 15.3. Late nominations are exempt from the requirements of Paragraph 15.3(f), below.
  
- (e) Intra-day nominations will be scheduled as confirmed and upon determination of operational feasibility, but are exempt from the requirements of Paragraph 15.3(f), hereof. Scheduling priority will be given to an intra-day nomination submitted by a firm shipper over nominated and scheduled volumes for interruptible shippers. An interruptible shipper will be provide advance notification of such reduction in scheduled volumes due t intra-day nomination by a firm shipper In accordance with Paragraph 5.6(b) of these General Terms and Conditions, Interruptible Shippers shall have forty-eight (48) hours in which to conform scheduled quantities prior to the assessment of any penalties. Pipeline will follow the timeline(s) set forth in Paragraph 15.1.(i) hereof.

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Superseding: Original Sheet No. 171

- (f) At the end of each gas day, Pipeline shall provide the final scheduled quantities for the just completed gas day. With respect to the implementation of this process via the NAESB 1.4.x scheduled quantity related standards, Pipeline shall send an end of gas day Scheduled Quantity document. Receivers of the end of gas day Scheduled Quantity document can waive the Pipeline's sending of the end of gas day Scheduled Quantity document.
  - (g) Any waiver of any deadline(s) set forth in this Section 15.3 for the transmittal of information or data in any form is at the sole discretion of the receiving party. Sender of such information or data may not waive and is bound to adhere to such deadline(s) unless waiver has been granted by receiving party.
- 15.4 For the purposes of nominating gas flows in accordance with Section 15.1(a)(2) or 15.1(a)(4) and 15.1(b)(2) or 15.1(b)(4) hereof, confirming gas flows, or scheduling gas flows, Pipeline shall designate personnel to be available on a twenty-four (24) hour basis. Such personnel may be contacted electronically by beeper at (888)650-8099. No change in scheduled activity, if requested during other than standard business hours of 8:00 a.m. to 5:00 p.m. Central Clock time on any business day shall be considered confirmed or scheduled until Pipeline's designated representative has been contacted at such number and all appropriate steps in the confirmation and scheduling process have been completed or waived by Pipeline.

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Superseding: Original Sheet No. 172

16. ALLOCATION PROCEDURES

- 16.1 In the event that gas is scheduled for any day to be received or delivered by Pipeline at Point(s) of Receipt or Point(s) of Delivery on Pipeline's system for Customer, Pipeline shall allocate quantities received or delivered as set forth in Paragraph 16.2 and make such daily operational allocations available within one (1) business day after the end of the gas day. Allocated quantities and imbalances should be expressed in the same units as the nominated quantities. In the event that the allocation information as specified in the provisions of Paragraph 16.2 is not provided, the Pipeline shall allocate actual quantities as set forth in the provisions of Paragraph 16.3.
- 16.2 (a) Pipeline shall allocate on each day actual gas quantities received or delivered by Pipeline among all scheduled quantities. Such allocations shall be based on 1) the existence of an OBA at the affected point or location; or 2) in the absence of an OBA, such allocation shall be based on the PDA(s) submitted to Pipeline during the business day prior to such gas day by Customer, Customer's agent or the Point Operator. Such PDA(s) may be submitted to Pipeline in writing or electronically. A PDA, whether submitted by Customer, Customer's agent or the Point Operator, upstream or downstream custody transfer party who is providing the point confirmation shall be a NAESB approved allocation methodology type, contain the standardized data elements as defined by NAESB and, shall set forth sufficient information to describe the allocation priority for each Point of Receipt and Point of Delivery when actual quantities received or delivered exceed scheduled quantities, and shall set forth sufficient information to describe the allocation priority for each Point of Receipt and Point of Delivery when actual quantities received or delivered are less than scheduled quantities. PDA's submitted to Pipeline shall be acknowledged to transmitter within fifteen (15) minutes of receipt.
- (b) It shall be the obligation of Customer to ensure that Customer's agent and/or the Point Operator comply with the provisions of this Section 16. In the event that a Point Operator is responsible for scheduling receipts or deliveries at Point(s) of Receipt or Point(s) of Delivery, Pipeline shall first rely on a PDA submitted by Customer. In the event that Customer has designated an agent for scheduling of receipts or deliveries, then the PDA submitted by Customer's agent shall have precedence over a PDA submitted by Customer but such PDA

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**Original Sheet No. 173** Original Sheet No. 173 : Effective

of Customer's agent shall not have precedence over a PDA submitted by a Point Operator.

- (c) A PDA submitted to Pipeline may specify one or more of the following allocation methodology types, which specification shall be subject to approval by Pipeline, provided, however, that Pipeline shall not unreasonably withhold such approval. The methodology types acceptable to pipeline are: 1) Ranked, 2) Pro Rata, 3) Percentage, 4) Swing, and 5) Operator Provided Value. Such standard allocation methodologies shall be available for use at all points. A new allocation detail may be needed when a nomination changes.
- (d) Any PDA submitted by or for Customer shall be effective for the term specified in such PDA, provided that such term may not cover a period of less than one day or longer than one month; provided, further, any PDA may not extend beyond the end of any calendar month.

16.3 The types of allocation methodologies is a list from which two parties may agree. In the event that the allocation information is not provided in accordance with Paragraph 16.2 for any Point(s) of Receipt or Delivery, or if an allocation is provided but is not in full compliance with the provision set forth in Paragraph 16.2, or if the two parties cannot agree upon an allocation methodology, the actual quantities measured at such Point(s) shall be allocated among Customers

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**Original Sheet No. 174** Original Sheet No. 174 : Effective

on a pro rata basis according to scheduled quantities. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation.

- 16.4 Any allocation submitted in accordance with the provisions set forth in this Section 16 shall be binding as to Pipeline and as to each and every allocated entity at such Point(s) of Receipt or Point(s) of Delivery on such day. Dispute of any allocation provided by Pipeline shall be made within six (6) months of the date of the initial month-end allocation. Pipeline shall have three (3) months to respond to such dispute. Pipeline shall not be liable to any Customer or third party as a result of Pipeline's reliance on any allocation in accordance with the provisions set forth in this Section 16.
- 16.5 In the event of the occurrence of operational constraints, as set forth in Section 6 hereof, the curtailment and/or ranking procedures set forth therein shall have precedence over the allocation procedures provided for in Paragraphs 16.2 and 16.3 of this Section 16.

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17. PENALTIES

- 17.1 (a) In addition to the penalties set forth below, a Customer shall be liable for and shall be required to reimburse Pipeline for all penalties, charges and fees which Pipeline is required to pay to other pipelines as a consequence of such Customer's actions. The charges under this Section 17.1(a) shall be flowed through to such Customers on an as-billed basis.
- (b) A Customer shall indemnify Pipeline from and against any and all losses, damages, or expenses of every kind and character which Pipeline or another Customer may suffer, sustain, or be liable for and shall hold Pipeline harmless from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of any action, inaction, or omission by the indemnifying Customer which results in the assessment of a penalty under this Section 17.
- (c) Pipeline shall have the option to waive or reduce, on a non-discriminatory basis, the penalties set forth in this Section 17. Pipeline shall waive any penalties attributable to the actions, inactions, or omissions of Pipeline or third parties under the control of Pipeline.
- (d) Any penalty revenue collected pursuant to this Section 17 by Pipeline from an affiliated entity shall be credited to Pipeline's other Customers.
- (e) In the event Customer's actions would subject Customer to more than one (1) penalty provision under this

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Superseding: Original Sheet No. 175

17. PENALTIES

- 17.1 (a) In addition to the penalties set forth below, a Customer shall be liable for and shall be required to reimburse Pipeline for all penalties, charges and fees which Pipeline is required to pay to other pipelines as a consequence of such Customer's actions. The charges under this Section 17.1(a) shall be flowed through to such Customers on an as-billed basis.
- (b) A Customer shall indemnify Pipeline from and against any and all losses, damages, or expenses of every kind and character which Pipeline or another Customer may suffer, sustain, or be liable for and shall hold Pipeline harmless from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated as a result of any action, inaction, or omission by the indemnifying Customer which results in the assessment of a penalty under this Section 17.
- (c) Pipeline shall have the option to waive or reduce, on a non-discriminatory basis, the penalties set forth in this Section 17. Pipeline shall waive any penalties attributable to the actions, inactions, or omissions of Pipeline or third parties under the control of Pipeline.
- (d) Any penalty or cash-out revenue collected pursuant to this Section 17, Section 5 or Section 14 by Pipeline during each month of a 12 month period, beginning on the effective date of the Section 17.1(d) net of all costs incurred by Pipeline, shall be refunded to each non-offending customer (during the period the penalty or cash-out was incurred). For the purpose of computing credits to non-offending customer(s), such calculations shall be computed on a monthly basis. If Pipeline incurs a net cost during such 12 month period, the amount will be deferred to offset against penalty revenue during the next 12 month period. Carrying costs shall be calculated on the net balance each month utilizing the rate set forth in Section 154.501 of the Commission's Regulations.
- (e) In the event Customer's actions would subject Customer to more than one (1) penalty provision under this

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Original Sheet No. 176 Original Sheet No. 176 : Effective

Section 17, Pipeline is authorized to collect only a single penalty equal to the highest applicable penalty.

- 17.2 A Customer's failure to comply with an Operational Flow Order issued pursuant to Paragraph 5.9 and/or Section 14 herein shall subject such Customer to a penalty in the amount of ten dollars (\$10.00) per MMBtu based upon Customer's variance from the Operational Flow Order.
- 17.3 A Customer's failure to comply with Pipeline's curtailment plan as set forth in Section 6 herein shall subject such Customer to a penalty in the amount of ten dollars (\$10.00) per MMBtu based upon Customer's variance from Pipeline's curtailment plan.
- 17.4 A Customer's failure to conform receipts and deliveries within the forty-eight (48) hour period provided by Pipeline's notice pursuant to Paragraph 5.6(b) herein or to correct actions causing an imbalance which exceeds the greater of five percent (5%) of scheduled quantities or 50 MMBtu within the forty-eight (48) hour period provided by Pipeline's notice pursuant to Paragraph 14.3 herein shall subject such Customer to a penalty in an amount equal to the maximum rate for service provided pursuant to Rate Schedule ITS, as set forth on Tariff Sheet No. 4A, per MMBtu based upon the variance between scheduled and allocated quantities at each point of interconnect.
- 17.5 To the extent that quantities of gas delivered from Pipeline's system pursuant to Rate Schedule NNS exceed Customer's NNS MDQ, Customer shall pay Pipeline ten dollars (\$10.00) per MMBtu for deliveries in excess of Customer's NNS MDQ.
- 17.6 A Customer whose actions result in the need for Pipeline to divert gas from another Customer pursuant to Paragraph 5.5 herein shall be subject to a penalty in an amount equal to the maximum rate for service provided pursuant to Rate Schedule ITS, as set forth on Tariff Sheet No. 4A, per MMBtu based upon the quantity of gas diverted.
- 17.7 A Customer's failure to comply with a notice issued by Pipeline pursuant to Section 5.2 herein, instructing Customer to restrict receipts or deliveries of gas to enable Pipeline to maintain physical and operational control of its system, shall subject such Customer to a penalty in an amount equal to

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Section 17, Pipeline is authorized to collect only a single penalty equal to the highest applicable penalty.

- 17.2 A Customer's failure to comply with an Operational Flow Order issued pursuant to Paragraph 5.9 and/or Section 14 herein shall subject such Customer to a Daily Scheduling Charge as provided for in Paragraph 5.9(b) hereof.
- 17.3 A Customer's failure to comply with Pipeline's curtailment plan as set forth in Section 6 herein shall subject such Customer to a penalty in the amount of ten dollars (\$10.00) per MMBtu based upon Customer's variance from Pipeline's curtailment plan.
- 17.4 Reserved for future use.
- 17.5 To the extent that quantities of gas delivered from Pipeline's system pursuant to Rate Schedule NNS exceed Customer's NNS MDQ, Customer shall be subject to a penalty in an amount equal to twice the maximum rate for service provided pursuant to Rate Schedule ITS, as set forth on Tariff Sheet No. 4A per MMBtu for deliveries in excess of Customer's NNS MDQ.
- 17.6 A Customer whose actions result in the need for Pipeline to divert gas from another Customer pursuant to Paragraph 5.5 herein shall be subject to a penalty in an amount equal to the maximum rate for service provided pursuant to Rate Schedule ITS, as set forth on Tariff Sheet No. 4A, per MMBtu based upon the quantity of gas diverted.
- 17.7 A Customer's failure to comply with a notice issued by Pipeline pursuant to Section 5.2 herein, instructing Customer to restrict receipts or deliveries of gas to enable Pipeline to maintain physical and operational control of its system, shall subject such Customer to a penalty in an amount equal to

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Superseding: Original Sheet No. 177

the maximum rate for service provided pursuant to Rate Schedule  
ITS, as set forth on Tariff Sheet No. 4A, per MMBtu based upon  
Customer's variance from Pipeline's notice.

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18. SERVICE AGREEMENT

- 18.1 Customer shall enter into a contract which is substantially in the form of Pipeline's Service Agreement applicable to the requested service and contained in this FERC Gas Tariff.
- 18.2 The period of time to be covered by the executed Service Agreement shall be determined by agreement between Pipeline and Customer; provided, however, unless otherwise agreed to by Pipeline, which agreement shall be given on a non-discriminatory basis, any fixed period so agreed upon shall not exceed five (5) years.
- 18.3 Prior to the execution of a Service Agreement, Pipeline and Customer shall agree upon the quantities of gas to be transported or sold by Pipeline to Customer.
- 18.4 No modification of the terms and provisions of an executed Service Agreement shall be made except upon the mutual written agreement of Pipeline and Customer.
- 18.5 No waiver by either Pipeline or Customer of any one or more defaults by the other in the performance of any provisions of the Service Agreement between Pipeline and Customer shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

19. NOTICES

All notices required to be provided hereunder shall be given in writing at the addresses specified from time to time or, when applicable, through Pipeline's EBB system, except that notices with respect to curtailment, limitations, restoration of deliveries of gas, or force majeure situations shall be sufficient if given in writing or by telegram, or orally in person or by telephone or radio to the person designated from time to time as authorized to receive such notice or, if transmitted electronically, shall be posted separately from those routine notices deemed as non critical.

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**Original Sheet No. 179** Original Sheet No. 179 : Effective

20. DULY CONSTITUTED AUTHORITIES

These General Terms and Conditions, the Rate Schedules to which they apply, and any executed Service Agreement for service hereunder are subject to valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction.

21. DESCRIPTIVE HEADINGS

The descriptive headings of the provisions of this Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of such provisions.

22. ANNUAL CHARGE ADJUSTMENT CLAUSE (ACA)

22.1 Annual charges are assessed against gas pipelines by the Federal Energy Regulatory Commission (FERC) under 18 C.F.R. Part 382 of the Commission's Regulations prior to each fiscal year in order to cover the cost of the operation of the FERC. For the purpose of recovering annual charges assessed Pipeline by the FERC, this Section 22 establishes, pursuant to Section 154.38(d)(6) of the Commission's Regulations an ACA unit rate to be applicable to quantities transported or sold under Pipeline's Rate Schedules identified in Paragraph 22.2. This ACA unit rate is in addition to any amounts otherwise payable to Pipeline under such Rate Schedules. Pipeline does not intend to recover any annual charges recorded in FERC Account No. 928 in a Section 4 rate case while this Section 22 is in effect. Pipeline reserves the right to cancel this Section 22 and elect the Section 4 rate case recovery methodology at a future date.

22.2 The ACA unit rate shall be applicable to all Rate Schedules which are part of this FERC Gas Tariff.

22.3 The Rate Schedules specified in Paragraph 22.2 shall include an increment for an ACA for the fiscal year October 1 through September 30 of the next succeeding year. Such increment shall

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**Original Sheet No. 180** Original Sheet No. 180 : Effective

be the unit charge, adjusted to Pipeline's pressure base and heating value, if required, which has been established by the FERC. The ACA charge shall be applied to the commodity component of transportation and sales rates.

- 22.4 The ACA shall be filed by the Pipeline at least thirty (30) days prior to the proposed effective date unless, for good cause shown, lesser periods are allowed by valid Commission order. The proposed effective date of filings shall be October 1 of each year. Any such filing shall not become effective until it becomes effective without suspension or refund obligation.

23. MEASUREMENT

- 23.1 The standard unit of measurement shall be one (1) Dkth or MMBtu, consisting of one million (1,000,000) Btus. Quantities measured at other temperatures and pressures shall be computed into such units, giving effect to the deviation of gas from Boyle's law.
- 23.2 The average atmospheric (barometric) pressure shall be assumed to be 14.7 pounds per square inch, irrespective of the actual elevation or location of delivery points above sea level or of variations in such barometric pressure from time to time.
- 23.3 When orifice meters are used for the measurement of gas, the computation of the quantities of gas shall be made in accordance with the provisions of Gas Measurement Committee Report No. 3, or any succeeding report, of the American Gas Association, as changed from time to time, with any subsequent amendments or revisions thereof now or hereafter made. The flowing temperature and specific gravity of the gas at the point of measurement shall be determined by Pipeline as follows:
- (a) The flowing temperature of the gas shall be determined by means of a recording thermometer of standard manufacture so installed that it may properly record the temperature of the flowing gas. The average, taken from

the record of the recording thermometer, during the time the gas is flowing shall be deemed to be the gas temperature for that period.

- (b) The specific gravity of the natural gas delivered shall be determined at the beginning of delivery of gas and with such reasonable frequency thereafter as is found necessary in practice, and, where applicable, the average of such determinations shall be used in computing gas volumes.

23.4 When positive displacement meters are used for the measurement of gas the flowing temperature of the gas at the point of measurement shall be assumed to be sixty (60) degrees Fahrenheit and no correction shall be made for any variation therefrom; provided, however, that Pipeline may install a recording thermometer, and in the event it does so correction shall be made for variations in the flowing temperature from sixty (60) degrees Fahrenheit.

#### 24. MEASUREMENT EQUIPMENT

- 24.1 Pipeline shall provide and maintain at its own expense at or near Point(s) of Delivery a measuring station properly equipped with a meter or meters of standard style, the measurements of which shall fix the total quantity of gas delivered by Pipeline to Customer; provided, however, Pipeline shall not be obligated to install such facilities. Such meter or meters shall be deemed the exclusive method of measuring all gas delivered and sold except as hereinafter specified in situations where Pipeline's meters are not recording accurately. Upon request, Customer shall be entitled to have access to the meter or meters at all reasonable times.
- 24.2 The accuracy of Pipeline's measuring equipment shall be verified by Pipeline at reasonable intervals, and if requested, in the presence of Customer's representatives; provided, however, Pipeline shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either Pipeline or

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Customer notifies the other party that it desires a special test of any measuring equipment, Pipeline and Customer shall cooperate to secure a prompt verification of the accuracy of such equipment. In the event that a special test is requested by other Pipeline or Customer and, after test, the equipment is determined to register no greater than two percent, either high or low, the requesting party shall pay all costs for said test.

- 24.3 Correction of Metering Equipment - Any meter found, on test, to register not more than two percent (2%) high or low shall be deemed to be correct as to past measurements but shall be corrected to record accurately. In the event any meter, upon test, proves to be more than two percent (2%) high or low, adjustment shall be made to fully correct the readings of such meters; provided, however, that if the period in which the error occurred is not known or cannot be agreed upon, then the period shall be deemed to be either the last half of the time elapsed since the last test, or the last thirty (30) days, whichever is the lesser period. If a meter is out of repair or is being tested or in the event that Pipeline's meters become inoperative or manifestly in error and Customer has not installed a check meter or meters as herein provided, or if such check meters have been installed and fail accurately to register or are manifestly in error, then the quantity of gas delivered during the period Pipeline's meter or meters were inoperative or manifestly in error shall be determined by estimating as nearly as possible the quantity of gas delivered hereunder during like periods under similar conditions when such meter was registering accurately or correctly within the tolerance set forth herein.
- 24.4 Customer shall be entitled to install and operate at its own expense near the Point(s) of Delivery such meter or meters of standard type as shall enable Customer to check the amount of gas delivered. If Customer shall exercise this right of installing and operating check meters, then in the event of failure of Pipeline's meters to register accurately at any time, the registration of Customer's check meters shall be taken as the current quantity of gas delivered to Customer by

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Pipeline instead of using the estimated quantity provided in Paragraph 24.3; provided, however, that Customer's meters are accurately indicating, within the tolerances provided in Paragraph 24.3, until such time as the meters of Pipeline shall be adjusted, repaired or replaced. If Customer's meters are used for the purpose of determining the quantity of gas delivered by Pipeline to Customer, Customer's meters shall be tested at such time and upon the call of Pipeline as herein provided in the case of Pipeline's meters.

- 24.5 All meter charts or other records of registration when removed from Pipeline' meters shall be forwarded to the offices of Pipeline for computation and checking; thereafter, Pipeline shall forward such charts and/or records to Customer, as Customer may direct, for Customer's inspection. After making such inspection as desired, Customer shall within ten (10) days return such charts and/or records to Pipeline for retention for a minimum period of two (2) years for the future reference of both parties. Should measurement data correction(s) be required by any party, such correction(s) shall be processed within six (6) months of the production month in which the error occurred. Any such correction(s) shall be subject to approval by all parties for ninety (90) days following such correction(s).
- 24.6 Customers shall furnish to Pipeline on or before the fifth (5th) business day of the month following the end of the month being allocated or billed any and all measurement data required by Pipeline for purposes of allocation or billing.

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26. CREDIT EVALUATION

26.1 Pipeline's acceptance of a request for service is contingent upon Customer's satisfying a credit appraisal by Pipeline. Pipeline shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Customer's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon some, part or all of the following information and criteria:

- (a) Customer shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Customer's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available.
- (b) Customer shall provide a bank reference and at least two (2) trade references. The results of reference checks and any credit reports submitted in (a) above must show that Customer's obligations are being paid on a reasonably prompt basis.
- (c) Customer shall confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Customer who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.
- (d) Customer shall confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to

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exist as an ongoing business entity.

- (e) Customers with an ongoing business relationship with Pipeline shall have no delinquent balances outstanding for services provided previously by Pipeline, and Customer must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
- (f) Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would materially affect Customer's ability to remain solvent as a business entity.

26.2 Upon notification by Pipeline that Customer has failed to satisfy the credit criteria or subsequently during the term of the Service Agreement no longer satisfies the credit criteria, such Customer may still obtain credit approval by Pipeline if it elects to provide one of the following:

- (a) an advance deposit;
- (b) a standby irrevocable letter of credit;
- (c) security interest in collateral found to be satisfactory to Pipeline; or
- (d) a guarantee, acceptable to Pipeline, by another party or entity which satisfies credit appraisal.

Such advance deposit, standby irrevocable letter of credit, security interest or guarantee shall at all times equal an amount equivalent to three (3) months of transportation (or sales if applicable) at a one hundred percent (100%) load factor of the requested MDQ at the maximum applicable unit rate hereunder. If Customer's credit standing ceases to meet Pipeline's credit requirements during the period of service, then Pipeline has the right to require security or a deposit as specified herein. If security or a deposit is not tendered in a timely period as reasonably determined by Pipeline, then

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Pipeline is not required to continue service. If Customer is unable to maintain credit approval, the executed Service Agreement shall terminate as of the first day of the month following written notice to Customer.

27. REQUESTS AND QUALIFICATIONS FOR SERVICE

27.1 To request transportation a Potential Customer must provide, either through Pipeline's EBB system, by written request, by telephone (if later confirmed in writing), or by fax, the following information to the Manager of Transportation and Exchange:

- (a) Potential Customers requesting firm transportation service (FTS), interruptible transportation service (ITS), firm transportation service on offshore facilities (FTS-OSF), interruptible transportation service on offshore facilities (ITS-OSF), or no-notice service (NNS) shall provide the maximum daily quantities to be received and delivered by Pipeline during the term of the Service Agreement at each Point of Receipt and each Point of Delivery.
  - (1) Potential Customers requesting firm transportation service (FTS), interruptible transportation service (ITS), firm transportation service on offshore facilities (FTS-OSF), or interruptible transportation service on offshore facilities shall also provide the maximum annual quantities to be received and delivered by Pipeline during the term of the Service Agreement.

- (b) The Point(s) of Receipt on Pipeline's system, with a specific description of the point(s) sufficient to identify the location. Potential Customers requesting firm transportation service (FTS) or no-notice service (NNS) may request Secondary Point(s) of Receipt. Such Secondary Point(s) of Receipt will be made available by Pipeline, subject to availability of capacity not held by other firm Customers and Pipeline's rights to maintain operational control of its system.
- (c) The Point(s) of Delivery on Pipeline's system, with a specific description of the point(s) sufficient to identify the location. Potential Customers requesting firm transportation service (FTS) may request Secondary Point(s) of Delivery. Such Secondary Point(s) of Delivery will be made available by Pipeline, subject to availability of capacity not held by other firm Customers and Pipeline's rights to maintain operational control of its system.
- (d) Potential Customer shall specify that it will pay the maximum rate reflected for the applicable Rate Schedule as set forth on currently effective Tariff Sheet Nos. 4 or 4A or such other rate that Potential Customer is willing to pay, but in no event shall such other rate be less than the minimum rate for service pursuant to the applicable Rate Schedule as set forth on currently effective Tariff Sheet Nos. 4 or 4A; provided, however Pipeline shall be authorized to reject any rate which is below Pipeline's maximum rate;
- (e) The dates on which service is requested to commence and terminate. Unless otherwise agreed to by Pipeline, which agreement shall be give on a non-discriminatory

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basis, Pipeline will not accept a term of less than one (1) year for service provided under Rate Schedules FTS, FTS-OSF or NNS, and will not accept a term of less than thirty (30) days for service provided under Rate Schedules ITS or ITS-OSF.

27.2 Upon Pipeline's acknowledgement of Potential Customer's request for service and a determination that the requested service can possibly be provided, Potential Customer shall further provide:

- (a) Identification of the upstream and downstream pipelines or other parties delivering gas to or receiving gas from Pipeline, as well as the identification of the party on whose behalf Pipeline will transport the gas. Potential Customer shall not be obligated to identify the ultimate end user of the gas, but shall be required to identify the ultimate end use of the gas for purposes of Pipeline's administration of the curtailment section of the General Terms and Conditions.
- (b) Identification of the party responsible for the request for service, including the party's address, telephone and fax numbers to which correspondence or other communications should be directed, as well as the party's relationship to Potential Customer.
- (c) Certification from Potential Customer that Potential Customer has title to the gas, a current contractual right to acquire title to the gas, or has authority to act as agent for a party that has or will have title to the gas, and that all necessary upstream and downstream arrangements shall be in place prior to commencement of the service. Customer shall indemnify Pipeline from and against any and all losses, damages, or expenses of every kind and character which Pipeline or Customer may suffer, sustain, or be liable for and hold Pipeline harmless from and against any and all damages, claims, suits, actions, or proceedings whatsoever threatened or initiated arising from or out of any adverse claims by

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third parties claiming ownership of, an interest in, or a right to the gas tendered to Pipeline.

- (d) Potential Customer shall provide Pipeline the information set forth in Section 26 of the General Terms and Conditions for the purpose of meeting the credit standards set forth in that section.
- (e) Potential Customer requesting no-notice service (NNS), firm transportation service (FTS) or firm transportation service on offshore facilities (FTS-OSF) shall submit the application fee for the requested service, as set forth in the applicable Rate Schedule.

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- 27.3 The information set forth in Paragraphs 27.1 and 27.2 must be submitted to Pipeline on Pipeline's Request Service Form, which is available from Pipeline on request.
- 27.4 Pipeline may, in its reasonable discretion and on a non-discriminatory basis, waive the obligation of Potential Customer to provide all or part of the information required to be provided by this Section 27.

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FERC Docket: RP02-486-001

**Substitute First Revised Sheet No. 191** Substitute First Revised Sheet No. 191 : Effective  
Superseding: Original Sheet No. 191

28. DISCOUNT POLICY

To the extent that Pipeline elects to provide service pursuant to this FERC Gas Tariff at a discounted rate, transportation rate components shall be discounted in the following order:

- 1) The Reservation component shall be the first component discounted and shall be the only component discounted until such component has been reduced to the level established as the Minimum Rate set forth on Sheet No. 4 of this FERC Gas Tariff; but, in no case, shall Pipeline discount to a level which would allow the Reservation component to equate to less than a Minimum Rate specified by Pipeline on Sheet No. 4 of this FERC Gas Tariff.
- 2) The Commodity component shall be the next component discounted and it shall be discounted until such component has been reduced to the level established as Minimum Rate set forth on Sheet No. 4 or 4a as applicable, of this FERC Gas Tariff; but, in no case, shall Pipeline discount to a level which would allow the Commodity component to equate to less than the Minimum Rate specified by Pipeline on Sheet No. 4 or 4a of this FERC Gas Tariff.

29. North American Energy Standards Board ("NAESB")

Pursuant to Order Nos. 587, 587-B through 587-O promulgated by the FERC in Docket No. RM96-1, for NAESB Standards that do not otherwise require implementing tariff provisions, the following NAESB Standards are hereby incorporated by reference into Transporter's FERC Gas Tariff. Unless specifically indicated otherwise, all incorporated standards are as reflected in NAESB Version 1.5.

29.1 General Standards: 0.3.1.

29.2 Nominations Related Standards: 1.2.1, 1.2.2, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19, 1.3.2 (vi), 1.3.14, 1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.30, 1.3.32, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 1.3.48, 1.3.49, 1.3.50, 1.3.51, 1.3.52, 1.3.53, 1.3.54, 1.3.55, 1.3.56, 1.3.57, 1.3.58, 1.3.59, 1.3.60, 1.3.61, 1.3.62, 1.3.63, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.78, 1.3.79, 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, and 1.4.7.

29.3 Flowing Gas Related Standards: 2.2.1, 2.2.2, 2.2.3, 2.3.2, 2.3.3, 2.3.4, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.24, 2.3.25, 2.3.26, 2.3.27, 2.3.31, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.3.36, 2.3.37, 2.3.38, 2.3.39, 2.3.43, 2.3.45, 2.3.46, 2.3.48, 2.3.49, 2.3.50, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15 and 2.4.16.

29.4 Invoicing Related Standards: 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.11, 3.3.13, 3.3.14, 3.3.16, 3.3.17, 3.3.18, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.4.1, 3.4.2, 3.4.3, and 3.4.4.

**Substitute Original Sheet No. 192** Substitute Original Sheet No. 192 : Effective

GENERAL TERMS AND CONDITIONS (continued)

- 29.5 Electronic Delivery Mechanism Standards: 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20, 4.3.1, 4.3.2, 4.3.3, 4.3.4, 4.3.5, 4.3.6, 4.3.7, 4.3.8, 4.3.9, 4.3.10, 4.3.11, 4.3.12, 4.3.13, 4.3.14, 4.3.15, 4.3.16, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.37, 4.3.38, 4.3.39, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.51, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.56, 4.3.57, 4.3.58, 4.3.59, 4.3.60, 4.3.61, 4.3.62, 4.3.63, 4.3.64, 4.3.65, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.70, 4.3.71, 4.3.72, 4.3.73, 4.3.74, 4.3.75, 4.3.76, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86 and 4.3.87.
- 29.6 Capacity Release Related Standards: 5.2.2, 5.3.5, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.17, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.27, 5.3.30, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.43, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.18 and 5.4.19.

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**Original Sheet No. 300** Original Sheet No. 300 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE NNS)

This Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_, by and between Enbridge Pipelines (Midla) Inc., a Delaware Corporation (herein called "Pipeline"), and \_\_\_\_\_ herein called "Customer" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

- 1.1 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule NNS, Pipeline agrees to, as applicable, Act as Agent for the purchase of gas supplies for Customer and/or receive from or for Customer at the Point(s) of Receipt for firm transportation quantities of natural gas up to the Maximum Daily Receipt Quantity (MDRQ) contracted by Customer on any day; provided, however, Customer shall not request at any Point of Receipt on any day a quantity of natural gas in excess of the applicable MDRQ set forth on Exhibit A for each such Point of Receipt inclusive of the applicable Fuel Reimbursement Quantity. For purposes of this Agreement, the MDRQ shall be as follows:

Maximum Daily Receipt Quantity \_\_\_\_\_ MMBtu

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1.2 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule NNS, Pipeline agrees to deliver up to Customer's Maximum Daily Delivery MDQ (NNS MDQ) of natural gas to or for Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of such quantities of natural gas, less the applicable Fuel Reimbursement Quantities; provided, however, Pipeline shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable MDQ set forth on Exhibit B for each such Point(s) of Delivery. For purposes of this Agreement, the NNS MDQ shall be as follows:

Maximum Daily Delivery Quantity \_\_\_\_\_ MMBtu

1.3 If so elected by Customer, Pipeline may act as Agent in order to purchase gas available for no-notice service at the Customer's Point(s) of Receipt .

1.4 To the extent permitted by Pipeline's FERC Gas Tariff, Fourth Revised Volume No. 1 (hereinafter the "Tariff"), and FERC orders and regulations, Pipeline shall have the right to interrupt service under this Agreement if at any time Customer fails to materially comply with any provision of this Agreement.

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ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date first set forth hereinabove written and shall continue through \_\_\_\_\_ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of twelve (12) months each (the "Renewal Term") unless either party gives ninety (90) days written notice to the other party prior to the end of the Primary Term or any twelve (12) month Renewal Term thereafter.
- 2.2 Termination of this Agreement shall not affect or cancel the obligations, claims, and liabilities then owing by either party to the other.
- 2.3 Pipeline's or Customer's right to terminate this Agreement upon expiration of the Primary Term hereof shall be subject to the pregranted abandonment provision of Section 7 of the General Terms and Conditions of the Tariff.

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ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Pipeline each month for service provided under this Agreement the maximum rates and such other charges as are specified in the Tariff for Rate Schedule NNS, including but not limited to the Annual Charge Adjustment (ACA), the Fuel Reimbursement Charge, Electronic Bulletin Board charges, and penalties.
- 3.2 Pursuant to Rate Schedule NNS of the Tariff, Pipeline may agree from time to time to collect a rate lower than the maximum rate set forth in the Tariff. Such a discounted rate shall be set forth in Exhibit D or in a separate written agreement.
- 3.3 The rates and charges provided for under Rate Schedule NNS shall be subject to increase or decrease pursuant to any order issued by the Federal Energy Regulatory Commission in any proceeding initiated by Pipeline or applicable to the services performed hereunder. Customer agrees that Pipeline shall, without any further agreement by Customer, have the right to change from time to time, all or any part of this Agreement, as well as all or any part of Rate Schedule NNS, or the General Terms and Conditions thereof, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Pipeline, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. Nothing contained herein shall prejudice the rights of Customer to contest at any time the changes made pursuant to this Paragraph 3.3, including the right to contest the rates or charges for the services provided under this Agreement, from time to time, in any subsequent proceeding.

ARTICLE IV  
POINT(S) OF RECEIPT AND DELIVERY

- 4.1 Natural gas to be sold to Customer by Pipeline and received by Pipeline from or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Receipt set forth in Exhibit A of this Agreement, with the Maximum Daily Quantity and the pressure

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obligation indicated for each such Point of Receipt.

- 4.2 Natural gas to be delivered by Pipeline to or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Delivery set forth in Exhibit B of this Agreement, with the Maximum Daily Quantity and the pressure obligation indicated for each such Point of Delivery.

ARTICLE V  
CONDITIONS OF SERVICE

- 5.1 This Agreement and all terms and provisions contained or incorporated herein are subject to Rate Schedule NNS and the General Terms and Conditions of the Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedule and General Terms and Conditions are incorporated by reference and made a part of this Agreement. Capitalized terms herein shall have the meaning assigned to such terms in the Tariff. In the event of conflict between this Agreement and Pipeline's Tariff, the Tariff shall control.
- 5.2 For service hereunder which is subject to 18 C.F.R Section 284.101 (Section 311 transportation), Customer must execute Exhibit C and the affidavits attached thereto, all of which are hereby incorporated by reference and made a part of this Agreement.
- 5.3 The parties hereto agree that neither party shall be liable to the other for any special, indirect, or consequential damages (including business interruptions) arising out of or in any manner related to this Agreement.

ARTICLE VI  
NOTICES

Except as herein otherwise provided or as provided in the General Terms and Conditions of the Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when received by registered, certified, or

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first class mail, or overnight delivery service (Federal Express, UPS, or U.S. Postal Service) at the address of the parties as follows:

(a) Pipeline: Enbridge Pipelines (Midla) Inc.  
Attn: Contract Administration  
1100 Louisiana, Suite 2900  
Houston, Texas 77002

-  
Telephone No. (713) 650-8900  
Facsimile No. (713) 821-2119

(b) Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address as either party shall subsequently designate by formal written notice.

ARTICLE VII  
MISCELLANEOUS

- 7.1 This Agreement constitutes the entire agreement between the parties and no modification, waiver, representation or agreement, oral or otherwise, shall affect the subject matter hereof unless and until such modification, waiver, representation or agreement is reduced to writing and executed by authorized representatives of the parties. No waiver by either Customer or Pipeline the performance of any of the provisions of this Agreement by the other or the failure to exercise the rights granted to either Customer or Pipeline herein shall operate or be construed as an implied or express waiver of any future performance by the other party, or right of Customer or Pipeline herein, whether of a like or of a different character.
- 7.2 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.

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7.3 The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Texas, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

7.4 When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto:

\_\_\_\_\_ Dated \_\_\_\_\_

\_\_\_\_\_ Dated \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ENBRIDGE PIPELINES (MIDLA) INC.

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

CUSTOMER

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE NNS)

EXHIBIT A

To the Agreement under Rate Schedule NNS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning Point(s) of Receipt.

Point(s) of Receipt

Dated: \_\_\_\_\_

Primary		
Point of	Maximum Daily	Maximum
Receipt	Receipt Obligation	Receipt Pressure

Secondary		
Point of	Maximum Daily	Maximum
Receipt	Receipt Obligation	Receipt Pressure

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit A Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 308 Original Sheet No. 308 : Effective

(APPLICABLE TO RATE SCHEDULE NNS)

EXHIBIT B

To the Agreement under Rate Schedule NNS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning Point(s) of Delivery.

Point(s) of Delivery

Dated: \_\_\_\_\_

Point of	Maximum Daily	Maximum
Delivery	Delivery Obligation	Delivery Pressure

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit B Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 309 Original Sheet No. 309 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE NNS)

EXHIBIT C

To the Agreement under Rate Schedule NNS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning "on behalf of" entity(ies).

"On Behalf of" Entity(ies)

Dated: \_\_\_\_\_

Name	Type
_____	_____
_____	_____
_____	_____

Customer warrants that the transportation by Pipeline hereunder will be "on behalf of" the above listed entity(ies) and in full compliance with Section 311 of the Natural Gas Policy Act of 1978 (NGPA) and FERC Order No. 525 et seq. Customer shall indemnify and hold Pipeline harmless from any and all liability arising from any acts and omissions or material representations of Customer in connection with or related to Pipeline's service under Section 311 of the NGPA. Customer shall not cause gas to be delivered to Pipeline for transportation "on behalf of" any other entity until such time as this Exhibit C has been amended to reflect the addition of such entity.

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit C Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

**Original Sheet No. 310** Original Sheet No. 310 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE NNS)

EXHIBIT D

To the Agreement under Rate Schedule NNS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning discount information.

Discount Information

Dated: \_\_\_\_\_

Discounted No-Notice: \_\_\_\_\_

Discounted Rate Effective From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_  
(Customer)

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit D Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

Original Sheet No. 311 Original Sheet No. 311 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS)

This Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 19\_\_, by and between Enbridge Pipelines (Midla) Inc., a Delaware Corporation (herein called "Pipeline"), and \_\_\_\_\_ herein called "Customer" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS, Pipeline agrees to receive from or for Customer for transportation on a firm basis quantities of natural gas up to the Maximum Daily Quantity (MDQ) tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender at any Point of Receipt on any day a quantity of natural gas in excess of the applicable MDQ set forth on Exhibit A for each such Point of Receipt or Customer's nomination, if less than the MDQ, or in any year, a cumulative quantity of natural gas in excess of the Maximum Annual Quantity (MAQ) inclusive of the applicable Fuel Reimbursement Quantities. For purposes of this Agreement, the MDQ and MAQ shall be as follows:

Maximum Daily Quantity \_\_\_\_\_ MMBtu

Maximum Annual Quantity \_\_\_\_\_ MMBtu

1.2 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS, Pipeline agrees to transport and deliver to or for Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantities of natural gas received by Pipeline on any day pursuant to Paragraph 1.1 above, less the applicable Fuel Reimbursement Quantities; provided, however, Pipeline shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

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the applicable MDQ set forth on Exhibit B for each such Point of Delivery or Customer's nomination, if less than the MDQ.

- 1.3 To the extent permitted by Pipeline's FERC Gas Tariff, Fourth Revised Volume No. 1 (hereinafter the "Tariff"), and FERC orders and regulations, Pipeline shall have the right to interrupt service under this Agreement if at any time Customer fails to materially comply with any provision of this Agreement.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date first set forth hereinabove written and shall continue through \_\_\_\_\_ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of twelve (12) months each (the "Renewal Term") unless either party gives ninety (90) days written notice to the other party prior to the end of the Primary Term or any twelve (12) month Renewal Term thereafter.
- 2.2 Termination of this Agreement shall not affect or cancel the obligations, claims, and liabilities then owing by either party to the other.
- 2.3 Pipeline's or Customer's right to terminate this Agreement upon expiration of the Primary Term hereof shall be subject to the pregranted abandonment provision of Section 7 of the General Terms and Conditions of the Tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Pipeline each month for service provided under this Agreement the maximum rates and such other charges as are specified in the Tariff for Rate Schedule FTS, including but not limited to the Annual Charge Adjustment (ACA), the Fuel Reimbursement Charge, Electronic Bulletin Board charges, and penalties.

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

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- 3.2 Pursuant to Rate Schedule FTS of the Tariff, Pipeline may agree from time to time to collect a rate lower than the maximum rate set forth in the Tariff. Such a discounted rate shall be set forth in Exhibit D or in a separate written agreement.
- 3.3 The rates and charges provided for under Rate Schedule FTS shall be subject to increase or decrease pursuant to any order issued by the Federal Energy Regulatory Commission in any proceeding initiated by Pipeline or applicable to the services performed hereunder. Customer agrees that Pipeline shall, without any further agreement by Customer, have the right to change from time to time, all or any part of this Agreement, as well as all or any part of Rate Schedule FTS, or the General Terms and Conditions thereof, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Pipeline, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. Nothing contained herein shall prejudice the rights of Customer to contest at any time the changes made pursuant to this Paragraph 3.3, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent proceeding.

ARTICLE IV  
POINT(S) OF RECEIPT AND DELIVERY

- 4.1 Natural gas to be received by Pipeline from or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Receipt set forth in Exhibit A of this Agreement, with the Maximum Daily Quantity and the pressure obligation indicated for each such Point of Receipt.
- 4.2 Natural gas to be delivered by Pipeline to or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Delivery set forth in Exhibit B of this Agreement, with the Maximum Daily Quantity and the pressure obligation indicated for each such Point of Delivery.

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

**Original Sheet No. 314** Original Sheet No. 314 : Effective

ARTICLE V  
CONDITIONS OF SERVICE

- 5.1 This Agreement and all terms and provisions contained or incorporated herein are subject to Rate Schedule FTS and the General Terms and Conditions of the Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedule and General Terms and Conditions are incorporated by reference and made a part of this Agreement. Capitalized terms herein shall have the meaning assigned to such terms in the Tariff. In the event of conflict between this Agreement and Pipeline's Tariff, the Tariff shall control.
- 5.2 For service hereunder which is subject to 18 C.F.R Section 284.101 (Section 311 transportation), Customer must execute Exhibit C and the affidavits attached thereto, all of which are hereby incorporated by reference and made a part of this Agreement.
- 5.3 The parties hereto agree that neither party shall be liable to the other for any special, indirect, or consequential damages (including business interruptions) arising out of or in any manner related to this Agreement.

ARTICLE VI  
NOTICES

Except as herein otherwise provided or as provided in the General Terms and Conditions of the Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when received by registered, certified, or first class mail, or overnight delivery service (Federal Express, UPS, or U.S. Postal Service) at the address of the parties as follows:

- (a) Pipeline: ENBRIDGE PIPELINES (MIDLA) INC.  
Attn: Contract Administration  
1100 Louisiana, Suite 2900  
Houston, Texas 77002

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

**Original Sheet No. 315** Original Sheet No. 315 : Effective

Telephone No. (713) 650-8900  
Facsimile No. (713) 821-2119

(b) Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address as either party shall subsequently designate  
by formal written notice.

ARTICLE VII  
MISCELLANEOUS

- 7.1 This Agreement constitutes the entire agreement between the parties and no modification, waiver, representation or agreement, oral or otherwise, shall affect the subject matter hereof unless and until such modification, waiver, representation or agreement is reduced to writing and executed by authorized representatives of the parties. No waiver by either Customer or Pipeline of the performance of any of the provisions of this Agreement by the other or the failure to exercise the rights granted to either Customer or Pipeline herein shall operate or be construed as an implied or express waiver of any future performance by the other party, or right of Customer or Pipeline herein, whether of a like or of a different character.
- 7.2 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
- 7.3 The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Texas, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 316 Original Sheet No. 316 : Effective

7.4 When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto:

\_\_\_\_\_ Dated \_\_\_\_\_  
\_\_\_\_\_ Dated \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ENBRIDGE PIPELINES (MIDLA) INC.

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

CUSTOMER

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

**Original Sheet No. 317** Original Sheet No. 317 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS)

EXHIBIT A

To the Agreement under Rate Schedule FTS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning Point(s) of Receipt.

Point(s) of Receipt

Dated: \_\_\_\_\_

Primary Point of Receipt	Maximum Daily Receipt Obligation	Maximum Receipt Pressure
--------------------------------	-------------------------------------	-----------------------------

Secondary Point of Receipt	Maximum Daily Receipt Obligation	Maximum Receipt Pressure
----------------------------------	-------------------------------------	-----------------------------

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit A Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 318 Original Sheet No. 318 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS)

EXHIBIT B

To the Agreement under Rate Schedule FTS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning Point(s) of Delivery.

Point(s) of Delivery

Dated: \_\_\_\_\_

Primary		
Point of	Maximum Daily	Maximum
Delivery	Delivery Obligation	Delivery Pressure

Secondary		
Point of	Maximum Daily	Maximum
Delivery	Delivery Obligation	Delivery Pressure

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit B Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 319 Original Sheet No. 319 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS)

EXHIBIT C

To the Agreement under Rate Schedule FTS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning "on behalf of" entity(ies).

"On Behalf of" Entity(ies)

Dated: \_\_\_\_\_

Name	Type
_____	_____
_____	_____
_____	_____

Customer warrants that the transportation by Pipeline hereunder will be "on behalf of" the above listed entity(ies) and in full compliance with Section 311 of the Natural Gas Policy Act of 1978 (NGPA) and FERC Order No. 525 et seq. Customer shall indemnify and hold Pipeline harmless from any and all liability arising from any acts and omissions or material representations of Customer in connection with or related to Pipeline's service under Section 311 of the NGPA. Customer shall not cause gas to be delivered to Pipeline for transportation "on behalf of" any other entity until such time as this Exhibit C has been amended to reflect the addition of such entity.

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit C Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

**Original Sheet No. 320** Original Sheet No. 320 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS)

EXHIBIT D

To the Agreement under Rate Schedule FTS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning discount information.

Discount Information

Dated: \_\_\_\_\_

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_  
(Customer)

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit D Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

Original Sheet No. 321 Original Sheet No. 321 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS)

This Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Enbridge Pipelines (Midla) Inc., a Delaware Corporation (herein called "Pipeline"), and \_\_\_\_\_ herein called "Customer" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule ITS, Pipeline agrees to receive from or for Customer for transportation on an interruptible basis quantities of natural gas up to the Maximum Daily Quantity (MDQ) tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender at any Point of Receipt on any day a quantity of natural gas in excess of the applicable MDQ set forth on Exhibit A for each such Point of Receipt or Customer's nomination, if less than the MDQ, or in any year, a cumulative quantity of natural gas in excess of the Maximum Annual Quantity (MAQ) inclusive of the applicable Fuel Reimbursement Quantities. For purposes of this Agreement, the MDQ and MAQ shall be as follows:

Maximum Daily Quantity \_\_\_\_\_ MMBtu

Maximum Annual Quantity \_\_\_\_\_ MMBtu

1.2 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule ITS, Pipeline agrees to transport and deliver to or for Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantities of natural gas received by Pipeline on any day pursuant to Paragraph 1.1 above, less the applicable Fuel Reimbursement Quantities; provided, however, Pipeline shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

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the applicable MDQ set forth on Exhibit B for each such Point of Delivery or Customer's nomination, if less than the MDQ.

- 1.3 To the extent permitted by Pipeline's FERC Gas Tariff, Fourth Revised Volume No. 1 (hereinafter the "Tariff"), and FERC orders and regulations, Pipeline shall have the right to interrupt service under this Agreement if at any time Customer fails to materially comply with any provision of this Agreement.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date first set forth hereinabove written and shall continue through \_\_\_\_\_ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of thirty (30) days each (the "Renewal Term") unless either party gives thirty (30) days written notice to the other party prior to the end of the Primary Term or any thirty (30) day Renewal Term thereafter.
- 2.2 Termination of this Agreement shall not affect or cancel the obligations, claims, and liabilities then owing by either party to the other.
- 2.3 Pipeline's or Customer's right to terminate this Agreement upon expiration of the Primary Term hereof shall be subject to the pregranted abandonment provision of Section 7 of the General Terms and Conditions of the Tariff.
- 2.4 Notwithstanding the provisions set forth in this Article II, this Agreement shall be subject to the termination provisions set forth in Paragraphs 3.3 and 3.4 of Rate Schedule ITS of the Tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Pipeline each month for service provided under this Agreement the maximum rates and such other charges as are specified in the Tariff for Rate Schedule ITS, including but not limited to the Annual Charge Adjustment (ACA), the Fuel

Effective Date: 10/01/2001 Status: Effective

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Original Sheet No. 323 Original Sheet No. 323 : Effective

Reimbursement Charge, Electronic Bulletin Board charges, and penalties.

- 3.2 Pursuant to Rate Schedule ITS of the Tariff, Pipeline may agree from time to time to collect a rate lower than the maximum rate set forth in the Tariff. Such a discounted rate shall be set forth in Exhibit D or in a separate written agreement.
- 3.3 The rates and charges provided for under Rate Schedule ITS shall be subject to increase or decrease pursuant to any order issued by the Federal Energy Regulatory Commission in any proceeding initiated by Pipeline or applicable to the services performed hereunder. Customer agrees that Pipeline shall, without any further agreement by Customer, have the right to change from time to time, all or any part of this Agreement, as well as all or any part of Rate Schedule ITS, or the General Terms and Conditions thereof, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Pipeline, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. Nothing contained herein shall prejudice the rights of Customer to contest at any time the changes made pursuant to this Paragraph 3.3, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent proceeding.

ARTICLE IV  
POINT(S) OF RECEIPT AND DELIVERY

- 4.1 Natural gas to be received by Pipeline from or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Receipt set forth in Exhibit A of this Agreement, with the Maximum Daily Quantity and the pressure obligation indicated for each such Point of Receipt.
- 4.2 Natural gas to be delivered by Pipeline to or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Delivery set forth in Exhibit B of this Agreement, with the Maximum Daily Quantity and the pressure obligation indicated for each such Point of Delivery.

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 324 Original Sheet No. 324 : Effective

ARTICLE V  
CONDITIONS OF SERVICE

- 5.1 This Agreement and all terms and provisions contained or incorporated herein are subject to Rate Schedule ITS and the General Terms and Conditions of the Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedule and General Terms and Conditions are incorporated by reference and made a part of this Agreement. Capitalized terms herein shall have the meaning assigned to such terms in the Tariff. In the event of conflict between this Agreement and Pipeline's Tariff, the Tariff shall control.
- 5.2 For service hereunder which is subject to 18 C.F.R Section 284.101 (Section 311 transportation), Customer must execute Exhibit C and the affidavits attached thereto, all of which are hereby incorporated by reference and made a part of this Agreement.
- 5.3 The parties hereto agree that neither party shall be liable to the other for any special, indirect, or consequential damages (including business interruptions) arising out of or in any manner related to this Agreement.

ARTICLE VI  
NOTICES

Except as herein otherwise provided or as provided in the General Terms and Conditions of the Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when received by registered, certified, or first class mail, or overnight delivery service (Federal Express, UPS, or U.S. Postal Service) at the address of the parties as follows:

- (a) Pipeline: ENBRIDGE PIPELINES (MIDLA) INC.  
Attn: Contract Administration  
1100 Louisiana, Suite 2900  
Houston, Texas 77002

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

**Original Sheet No. 325** Original Sheet No. 325 : Effective

Telephone No. (713) 650-8900  
Facsimile No. (713) 821-2119

(b) Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address as either party shall subsequently designate by formal written notice.

ARTICLE VII  
MISCELLANEOUS

- 7.1 This Agreement constitutes the entire agreement between the parties and no modification, waiver, representation or agreement, oral or otherwise, shall affect the subject matter hereof unless and until such modification, waiver, representation or agreement is reduced to writing and executed by authorized representatives of the parties. No waiver by either Customer or Pipeline of the performance of any of the provisions of this Agreement by the other or the failure to exercise the rights granted to either Customer or Pipeline herein shall operate or be construed as an implied or express waiver of any future performance by the other party, or right of Customer or Pipeline herein, whether of a like or of a different character.
- 7.2 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
- 7.3 The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Texas, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 326 Original Sheet No. 326 : Effective

7.4 When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto:

\_\_\_\_\_ Dated \_\_\_\_\_  
\_\_\_\_\_ Dated \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ENBRIDGE PIPELINES (MIDLA) INC.

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

CUSTOMER

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

**Original Sheet No. 327** Original Sheet No. 327 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS)

EXHIBIT A

To the Agreement under Rate Schedule ITS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning Point(s) of Receipt.

Point(s) of Receipt

Dated: \_\_\_\_\_

Point of Receipt	Maximum Daily Receipt Obligation	Maximum Receipt Pressure
------------------	----------------------------------	--------------------------

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit A Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 328 Original Sheet No. 328 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS)

EXHIBIT B

To the Agreement under Rate Schedule ITS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning Point(s) of Delivery.

Point(s) of Delivery

Dated: \_\_\_\_\_

Point of Delivery	Maximum Daily Delivery Obligation	Maximum Delivery Pressure
----------------------	--------------------------------------	------------------------------

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit B Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 329 Original Sheet No. 329 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS)

EXHIBIT C

To the Agreement under Rate Schedule ITS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning "on behalf of" entity(ies).

"On Behalf of" Entity(ies)

Dated: \_\_\_\_\_

Name	Type
_____	_____
_____	_____
_____	_____

Customer warrants that the transportation by Pipeline hereunder will be "on behalf of" the above listed entity(ies) and in full compliance with Section 311 of the Natural Gas Policy Act of 1978 (NGPA) and FERC Order No. 525 et seq. Customer shall indemnify and hold Pipeline harmless from any and all liability arising from any acts and omissions or material representations of Customer in connection with or related to Pipeline's service under Section 311 of the NGPA. Customer shall not cause gas to be delivered to Pipeline for transportation "on behalf of" any other entity until such time as this Exhibit C has been amended to reflect the addition of such entity.

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit C Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

FERC Docket: GT01- 30-000

Original Sheet No. 330 Original Sheet No. 330 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS)

EXHIBIT D

To the Agreement under Rate Schedule ITS between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning discount information.

Discount Information

Dated: \_\_\_\_\_

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_  
(Customer)

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit D Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective  
FERC Docket: GT01- 30-000

Original Sheet No. 331 Original Sheet No. 331 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS-OSF)

This Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Enbridge Pipelines (Midla) Inc., a Delaware Corporation (herein called "Pipeline"), and \_\_\_\_\_ herein called "Customer" whether one or more Persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS-OSF, Pipeline agrees to receive from or for Customer for firm transportation on Pipeline's Offshore Facilities quantities of natural gas up to the Maximum Daily Quantity (MDQ) tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender at any Point of Receipt on any day a quantity of natural gas in excess of the applicable MDQ set forth on Exhibit A for each such Point of Receipt or Customer's nomination, if less than the MDQ, or in any year, a cumulative quantity of natural gas in excess of the Maximum Annual Quantity (MAQ) inclusive of the applicable Fuel Reimbursement Quantities. For purposes of this Agreement, the MDQ and MAQ shall be as follows:

Maximum Daily Quantity \_\_\_\_\_ MMBtu

Maximum Annual Quantity \_\_\_\_\_ MMBtu

1.2 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS-OSF, Pipeline agrees to transport and deliver to or for Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantities of natural gas received by Pipeline on any day pursuant to Paragraph 1.1 above, less the applicable Fuel Reimbursement Quantities; provided, however, Pipeline shall not be obligated to deliver at any

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Point of Delivery on any day a quantity of natural gas in excess of the applicable MDQ set forth on Exhibit B for each such Point of Delivery or Customer's nomination, if less than the MDQ.

- 1.3 To the extent permitted by Pipeline's FERC Gas Tariff, Fourth Revised Volume No. 1 (hereinafter the "Tariff"), and FERC orders and regulations, Pipeline shall have the right to interrupt service under this Agreement if at any time Customer fails to materially comply with any provision of this Agreement.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date first set forth hereinabove written and shall continue through \_\_\_\_\_ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of twelve (12) months each (the "Renewal Term") unless either party gives ninety (90) days written notice to the other party prior to the end of the Primary Term or any twelve (12) month Renewal Term thereafter.
- 2.2 Termination of this Agreement shall not affect or cancel the obligations, claims, and liabilities then owing by either party to the other.
- 2.3 Pipeline's or Customer's right to terminate this Agreement upon expiration of the Primary Term hereof shall be subject to the pregranted abandonment provision of Section 7 of the General Terms and Conditions of the Tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Pipeline each month for service provided under this Agreement the maximum rates and such other charges as are specified in the Tariff for Rate Schedule FTS-OSF, including but not limited to the Annual Charge Adjustment (ACA), the Fuel Reimbursement Charge, Electronic Bulletin Board charges, and penalties.

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- 3.2 Pursuant to Rate Schedule FTS-OSF of the Tariff, Pipeline may agree from time to time to collect a rate lower than the maximum rate set forth in the Tariff. Such a discounted rate shall be set forth in Exhibit D or in a separate written agreement.
- 3.3 The rates and charges provided for under Rate Schedule FTS-OSF shall be subject to increase or decrease pursuant to any order issued by the Federal Energy Regulatory Commission in any proceeding initiated by Pipeline or applicable to the services performed hereunder. Customer agrees that Pipeline shall, without any further agreement by Customer, have the right to change from time to time, all or any part of this Agreement, as well as all or any part of Rate Schedule FTS-OSF, or the General Terms and Conditions thereof, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Pipeline, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. Nothing contained herein shall prejudice the rights of Customer to contest at any time the changes made pursuant to this Paragraph 3.3, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent proceeding.

ARTICLE IV  
POINT(S) OF RECEIPT AND DELIVERY

- 4.1 Natural gas to be received by Pipeline from or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Receipt set forth in Exhibit A of this Agreement, with the Maximum Daily Quantity and the pressure obligation indicated for each such Point of Receipt.
- 4.2 Natural gas to be delivered by Pipeline to or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Delivery set forth in Exhibit B of this Agreement, with the Maximum Daily Quantity and the pressure obligation indicated for each such Point of Delivery.

Effective Date: 10/01/2001 Status: Effective

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ARTICLE V  
CONDITIONS OF SERVICE

- 5.1 This Agreement and all terms and provisions contained or incorporated herein are subject to Rate Schedule FTS-OSF and the General Terms and Conditions of the Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedule and General Terms and Conditions are incorporated by reference and made a part of this Agreement. Capitalized terms herein shall have the meaning assigned to such terms in the Tariff. In the event of conflict between this Agreement and Pipeline's Tariff, the Tariff shall control.
- 5.2 For service hereunder which is subject to 18 C.F.R Section 284.101 (Section 311 transportation), Customer must execute Exhibit C and the affidavits attached thereto, all of which are hereby incorporated by reference and made a part of this Agreement.
- 5.3 The parties hereto agree that neither party shall be liable to the other for any special, indirect, or consequential damages (including business interruptions) arising out of or in any manner related to this Agreement.

ARTICLE VI  
NOTICES

Except as herein otherwise provided or as provided in the General Terms and Conditions of the Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when received by registered, certified, or first class mail, or overnight delivery service (Federal Express, UPS, or U.S. Postal Service) at the address of the parties as follows:

- (a) Pipeline: ENBRIDGE PIPELINES (MIDLA) INC.  
Attn: Contract Administration  
1100 Louisiana, Suite 2900  
Houston, Texas 77002

Effective Date: 10/01/2001 Status: Effective

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Telephone No. (713) 650-8900  
Facsimile No. (713) 821-2119

(b) Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address as either party shall subsequently designate by formal written notice.

ARTICLE VII  
MISCELLANEOUS

- 7.1 This Agreement constitutes the entire agreement between the parties and no modification, waiver, representation or agreement, oral or otherwise, shall affect the subject matter hereof unless and until such modification, waiver, representation or agreement is reduced to writing and executed by authorized representatives of the parties. No waiver by either Customer or Pipeline of the performance of any of the provisions of this Agreement by the other or the failure to exercise the rights granted to either Customer or Pipeline herein shall operate or be construed as an implied or express waiver of any future performance by the other party, or right of Customer or Pipeline herein, whether of a like or of a different character.
- 7.2 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
- 7.3 The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Texas, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

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7.4 When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto:

\_\_\_\_\_ Dated \_\_\_\_\_

\_\_\_\_\_ Dated \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ENBRIDGE PIPELINES (MIDLA) INC.

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

CUSTOMER

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS-OSF)

EXHIBIT A

To the Agreement under Rate Schedule FTS-OSF between Enbridge Pipelines  
(Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer)  
concerning Point(s) of Receipt.

Point(s) of Receipt

Dated: \_\_\_\_\_

Point of Receipt	Maximum Daily Receipt Obligation	Maximum Receipt Pressure
---------------------	-------------------------------------	-----------------------------

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit A Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective  
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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS-OSF)

EXHIBIT B

To the Agreement under Rate Schedule FTS-OSF between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning Point(s) of Delivery.

Point(s) of Delivery

Dated: \_\_\_\_\_

Point of Delivery	Maximum Daily Delivery Obligation	Maximum Delivery Pressure
-------------------	-----------------------------------	---------------------------

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit B Dated: \_\_\_\_\_

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS-OSF)

EXHIBIT C

To the Agreement under Rate Schedule FTS-OSF between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning "on behalf of" entity(ies).

"On Behalf of" Entity(ies)

Dated: \_\_\_\_\_

Name Type

Name	Type
_____	_____
_____	_____
_____	_____

Customer warrants that the transportation by Pipeline hereunder will be "on behalf of" the above listed entity(ies) and in full compliance with Section 311 of the Natural Gas Policy Act of 1978 (NGPA) and FERC Order No. 525 et seq. Customer shall indemnify and hold Pipeline harmless from any and all liability arising from any acts and omissions or material representations of Customer in connection with or related to Pipeline's service under Section 311 of the NGPA. Customer shall not cause gas to be delivered to Pipeline for transportation "on behalf of" any other entity until such time as this Exhibit C has been amended to reflect the addition of such entity.

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit C Dated: \_\_\_\_\_

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FTS-OSF)

EXHIBIT D

To the Agreement under Rate Schedule FTS-OSF between Enbridge Pipelines  
(Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer)  
concerning discount information.

Discount Information

Dated: \_\_\_\_\_

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_  
(Customer)

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit D Dated: \_\_\_\_\_

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS-OSF)

This Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Enbridge Pipelines (Midla) Inc., a Delaware Corporation (herein called "Pipeline"), and \_\_\_\_\_ herein called "Customer" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule ITS-OSF, Pipeline agrees to receive from or for Customer for interruptible transportation on Pipeline's Offshore Facilities quantities of natural gas up to the Maximum Daily Quantity (MDQ) tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender at any Point of Receipt on any day a quantity of natural gas in excess of the applicable MDQ set forth on Exhibit A for each such Point of Receipt or Customer's nomination, if less than the MDQ, or in any year, a cumulative quantity of natural gas in excess of the Maximum Annual Quantity (MAQ) inclusive of the applicable Fuel Reimbursement Quantities. For purposes of this Agreement, the MDQ and the MAQ shall be as follows:

Maximum Daily Quantity \_\_\_\_\_ MMBtu  
Maximum Annual Quantity \_\_\_\_\_ MMBtu

1.2 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule ITS-OSF, Pipeline agrees to transport and deliver to or for Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantities of natural gas received by Pipeline on any day pursuant to Paragraph 1.1 above, less the applicable Fuel Reimbursement Quantities; provided, however, Pipeline shall not be obligated to deliver at any

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of Delivery on any day a quantity of natural gas in excess of the applicable MDQ set forth on Exhibit B for each such Point of Delivery or Customer's nomination, if less than the MDQ.

- 1.3 To the extent permitted by Pipeline's FERC Gas Tariff, Fourth Revised Volume No. 1 (hereinafter the "Tariff"), and FERC orders and regulations, Pipeline shall have the right to interrupt service under this Agreement if at any time Customer fails to materially comply with any provision of this Agreement.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date first set forth hereinabove written and shall continue through \_\_\_\_\_ (the "Primary Term"). Thereafter, this Agreement shall continue for successive terms of thirty (30) days each (the "Renewal Term") unless either party gives thirty (30) days written notice to the other party prior to the end of the Primary Term or any thirty (30) day Renewal Term thereafter.
- 2.2 Termination of this Agreement shall not affect or cancel the obligations, claims, and liabilities then owing by either party to the other.
- 2.3 Pipeline's or Customer's right to terminate this Agreement upon expiration of the Primary Term hereof shall be subject to the pregranted abandonment provision of Section 7 of the General Terms and Conditions of the Tariff.
- 2.4 Notwithstanding the provisions set forth in this Article II, this Agreement shall be subject to the termination provisions set forth in Paragraphs 3.3 and 3.4 of Rate Schedule ITS-OSF of the Tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Pipeline each month for service provided under this Agreement the maximum rates and such other charges as are specified in the Tariff for Rate Schedule ITS-OSF, including but not

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limited to the Annual Charge Adjustment (ACA), the Fuel Reimbursement Charge, Electronic Bulletin Board charges, and penalties.

- 3.2 Pursuant to Rate Schedule ITS-OSF of the Tariff, Pipeline may agree from time to time to collect a rate lower than the maximum rate set forth in the Tariff. Such a discounted rate shall be set forth in Exhibit D or in a separate written agreement.
- 3.3 The rates and charges provided for under Rate Schedule ITS-OSF shall be subject to increase or decrease pursuant to any order issued by the Federal Energy Regulatory Commission in any proceeding initiated by Pipeline or applicable to the services performed hereunder. Customer agrees that Pipeline shall, without any further agreement by Customer, have the right to change from time to time, all or any part of this Agreement, as well as all or any part of Rate Schedule ITS-OSF, or the General Terms and Conditions thereof, including without limitation the right to change the rates and charges in effect hereunder, pursuant to Section 4(d) of the Natural Gas Act as may be deemed necessary by Pipeline, in its reasonable judgment, to assure just and reasonable service and rates under the Natural Gas Act. Nothing contained herein shall prejudice the rights of Customer to contest at any time the changes made pursuant to this Paragraph 3.3, including the right to contest the transportation rates or charges for the services provided under this Agreement, from time to time, in any subsequent proceeding.

ARTICLE IV  
POINT(S) OF RECEIPT AND DELIVERY

- 4.1 Natural gas to be received by Pipeline from or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Receipt set forth in Exhibit A of this Agreement, with the Maximum Daily Quantity and the pressure obligation indicated for each such Point of Receipt.
- 4.2 Natural gas to be delivered by Pipeline to or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Delivery set forth in Exhibit B of this Agreement, with the Maximum Daily Quantity and the pressure obligation

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indicated for each such Point of Delivery.

ARTICLE V  
CONDITIONS OF SERVICE

- 5.1 This Agreement and all terms and provisions contained or incorporated herein are subject to Rate Schedule ITS-OSF and the General Terms and Conditions of the Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedule and General Terms and Conditions are incorporated by reference and made a part of this Agreement. Capitalized terms herein shall have the meaning assigned to such terms in the Tariff. In the event of conflict between this Agreement and Pipeline's Tariff, the Tariff shall control.
- 5.2 For service hereunder which is subject to 18 C.F.R Section 284.101 (Section 311 transportation), Customer must execute Exhibit C and the affidavits attached thereto, all of which are hereby incorporated by reference and made a part of this Agreement.
- 5.3 The parties hereto agree that neither party shall be liable to the other for any special, indirect, or consequential damages (including business interruptions) arising out of or in any manner related to this Agreement.

ARTICLE VI  
NOTICES

Except as herein otherwise provided or as provided in the General Terms and Conditions of the Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when received by registered, certified, or first class mail, or overnight delivery service (Federal Express, UPS, or U.S. Postal Service) at the address of the parties as follows:

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(a) Pipeline: ENBRIDGE PIPELINES (MIDLA) INC.  
Attn: Contract Administration  
1100 Louisiana, Suite 2900  
Houston, Texas 77002  
  
Telephone No. (713) 650-8900  
Facsimile No. (713) 821-2119

(b) Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address as either party shall subsequently designate by formal written notice.

ARTICLE VII  
MISCELLANEOUS

- 7.1 This Agreement constitutes the entire agreement between the parties and no modification, waiver, representation or agreement, oral or otherwise, shall affect the subject matter hereof unless and until such modification, waiver, representation or agreement is reduced to writing and executed by authorized representatives of the parties. No waiver by either Customer or Pipeline of the performance of any of the provisions of this Agreement by the other or the failure to exercise the rights granted to either Customer or Pipeline herein shall operate or be construed as an implied or express waiver of any future performance by the other party, or right of Customer or Pipeline herein, whether of a like or of a different character.
- 7.2 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
- 7.3 The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Texas, excluding conflicts of law principles that would require the application of the laws of

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a different jurisdiction.

7.4 When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto:

\_\_\_\_\_ Dated \_\_\_\_\_

\_\_\_\_\_ Dated \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ENBRIDGE PIPELINES (MIDLA) INC.

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

CUSTOMER

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

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**Original Sheet No. 347** Original Sheet No. 347 : Effective

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS-OSF)

EXHIBIT A

To the Agreement under Rate Schedule ITS-OSF between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning Point(s) of Receipt.

Point(s) of Receipt

Dated: \_\_\_\_\_

Point of Receipt	Maximum Daily Receipt Obligation	Maximum Receipt Pressure
------------------	----------------------------------	--------------------------

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit A Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS-OSF)

EXHIBIT B

To the Agreement under Rate Schedule ITS-OSF between Enbridge Pipelines  
(Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer)  
concerning Point(s) of Delivery.

Point(s) of Delivery

Dated: \_\_\_\_\_

Point of	Maximum Daily	Maximum
Delivery	Delivery Obligation	Delivery Pressure

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit B Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS-OSF)

EXHIBIT C

To the Agreement under Rate Schedule ITS-OSF between Enbridge Pipelines (Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer) concerning "on behalf of" entity(ies).

"On Behalf of" Entity(ies)

Dated: \_\_\_\_\_

Name Type

Name	Type
_____	_____
_____	_____
_____	_____

Customer warrants that the transportation by Pipeline hereunder will be "on behalf of" the above listed entity(ies) and in full compliance with Section 311 of the Natural Gas Policy Act of 1978 (NGPA) and FERC Order No. 525 et seq. Customer shall indemnify and hold Pipeline harmless from any and all liability arising from any acts and omissions or material representations of Customer in connection with or related to Pipeline's service under Section 311 of the NGPA. Customer shall not cause gas to be delivered to Pipeline for transportation "on behalf of" any other entity until such time as this Exhibit C has been amended to reflect the addition of such entity.

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit C Dated: \_\_\_\_\_

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE ITS-OSF)

EXHIBIT D

To the Agreement under Rate Schedule ITS-OSF between Enbridge Pipelines  
(Midla) Inc. (Pipeline) and \_\_\_\_\_ (Customer)  
concerning discount information.

Discount Information

Dated: \_\_\_\_\_

Discounted Transportation Rate: \_\_\_\_\_

Discounted Rate Effective From: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_  
(Customer)

Signed for Identification

Enbridge Pipelines (Midla) Inc.: \_\_\_\_\_

Customer: \_\_\_\_\_

Supersedes Exhibit D Dated: \_\_\_\_\_

Effective Date: 10/01/2001 Status: Effective

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FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE SS)

This Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 19\_\_, by and between Enbridge Pipelines (Midla) Inc., a Delaware Corporation (herein called "Pipeline"), and \_\_\_\_\_ herein called "Customer" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

- 1.1 Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule SS, Pipeline agrees to sell to Customer quantities of natural gas at the Point(s) of Receipt up to the following quantities:
- 1.2 Pipeline shall have the right to interrupt sales of natural gas under this Agreement if at any time Customer fails to materially comply with any provision of this Agreement.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for [insert term of Agreement].

ARTICLE III  
RATES

- 3.1 Customer shall pay Pipeline [insert terms of negotiated rate].

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ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be sold by Pipeline to or for Customer hereunder shall be delivered at the outlet side of the measuring station(s) at the Point(s) of Receipt set forth in Exhibit A of this Agreement.

ARTICLE V  
CONDITIONS OF SERVICE

- 5.1 To the extent applicable, this Agreement and all terms and provisions contained or incorporated herein are subject to Rate Schedule SS and the General Terms and Conditions of the Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedule and General Terms and Conditions are incorporated by reference and made a part of this Agreement.
- 5.2 The parties hereto agree that neither party shall be liable to the other for any special, indirect, or consequential damages (including business interruptions) arising out of or in any manner related to this Agreement.

ARTICLE VI  
NOTICES

Except as herein otherwise provided any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when received by registered, certified, or first class mail, or overnight delivery service (Federal Express, UPS, or U.S. Postal Service) at the address of the parties as follows:

- (a) Pipeline: ENBRIDGE PIPELINES (MIDLA) INC.  
Attn: Contract Administration  
1100 Louisiana, Suite 2900  
Houston, Texas 77002

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Telephone No. (713) 650-8900  
Facsimile No. (713) 821-2119

(b) Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address as either party shall subsequently designate by formal written notice.

ARTICLE VII  
MISCELLANEOUS

- 7.1 This Agreement constitutes the entire agreement between the parties and no modification, waiver, representation or agreement, oral or otherwise, shall affect the subject matter hereof unless and until such modification, waiver, representation or agreement is reduced to writing and executed by authorized representatives of the parties. No waiver by either Customer or Pipeline of the performance of any of the provisions of this Agreement by the other or the failure to exercise the rights granted to either Customer or Pipeline herein shall operate or be construed as an implied or express waiver of any future performance by the other party, or right of Customer or Pipeline herein, whether of a like or of a different character.
- 7.2 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
- 7.3 The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Texas, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

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7.4 When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto:

\_\_\_\_\_ Dated \_\_\_\_\_  
\_\_\_\_\_ Dated \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ENBRIDGE PIPELINES (MIDLA) INC.

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

CUSTOMER

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name) (Title)

\_\_\_\_\_  
(Printed Name) (Title)

